Canada's Future in Wheat

Socialism by the Tax Route

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THE FINANCIAL POST

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Canadian Mining News Department Page 20

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The Nation's Business

Framing a Tax on Kilowatt Hours

Levy as Proposed Would be Unfair

Government Bank Involved in Run in Manitoba

Government Bank Involved in Run

THE recent run on the provincial savings bank of Manitoba, invoked by the premier's announcement that the offices were to be closed, raises questions of serious import regarding government in business. The provincial savings offices in Manitoba were really an afterthought to the province's rural credit scheme. It was felt that much cheap money could be obtained by opening these offices in competition with the chartered banks and indeed a considerable sum of money was raised by the province in this manner. A very large portion of it was lost in the rural credit scheme, and of course, to meet the claims of depositors at the present time it will be necessary to draw upon the proceeds of public borrowings or of the taxes to make sure that everyone gets his or her money. There was, of course, never any question of all the deposits being met in full and promptly as any other action would have constituted a default by the province. So far no Canadian province has ever defaulted on any bond issue, or other obligation.

* * *

ONE of the arguments that has been presented by the operation of governmental savings institutions is that a completely and unquestionably safe depository for investments should be provided for those who may at times nurture some slight suspicions as to the bona fides and strength of the private banking institutions. For instance, the Province of Ontario and its savings offices have always had a large volume of deposits from somewhat timid foreigners and the advertising of these offices impresses upon the public the fact that the security for the deposits is the Province of Ontario itself. It may be questioned if even the provision of the last bulwark of safety is a function of governments, but even if one were to admit that it were a function, it becomes quite apparent from the Manitoba incident that the public does not always regard even a provincial bank as quite as safe as a chartered bank.

The worst feature of such runs is that emergency calls upon banks have a habit of spreading. A run on a weak bank will even at times start a run on a strong bank. This has happened more than once in Canada's history. By its mismanagement of the provincial savings offices the Manitoba Government put every chartered bank operating in Winnipeg to at least a momentary hazard. Momentary hazards are what start panic runs.

* * *

BOTH the Winnipeg Free Press and the Winnipeg Tribune are highly critical of the Dominion Government in connection with the events which led to the closing of the Manitoba provincial savings offices, and the transfer of deposit accounts to the chartered banks. The Tribune, ordinarily inclined to support the Dominion Government, blames it for not giving direct support, and the Free Press for not having put pressure on the banks to give support that would have enabled the savings offices to remain open.

Thus Mr. Bennett's cabinet is made to bear the inferential odium of a purely provincial mess. But the Ottawa administration can hardly complain. Having set the precedent of helping out the provinces and municipalities whenever they have a problem on their hands it can expect to have many babies offered to it for adoption.

* * *

COULD the transaction have been carried through without the somewhat mild flurry of uneasiness which preceded and accompanied it, it would have been more satisfactory. But depositors now appear to have been reassured, and the change in their position is simply that they are now drawing three per cent interest in regular savings banks, instead of the three and a half per cent interest which they formerly enjoyed. Such amounts as were withdrawn immediately prior to the change are doubtless now or will soon be again on deposit. The essential position of the province will be little different, as transfer means a decrease in its liabilities corresponding with the reduction in its assets.

Part of the criticism of the Free Press in this connection deserves further attention. It says:

> "What the people see is that, by one means or another, a further concentration of banking power has taken place, and that some $15,000,000 of securities and more than 40,000 individual accounts have passed over to the chartered banks. There has always been strong dislike in Western Canada of the increasing concentration of Canadian banking, and if the details of the closing of the Manitoba Savings Office can be brought out, the public may have decided ideas as to what has taken place."

* * *

BUT there has been no increased concentration of Canadian banking power, although what has taken place should mean still fur-

(Continued on page 2, col. 5)

WALKER'S PLAN BEING STUDIED AS PRECEDENT

May be Pioneer Move in Retracing Much of Boom Financing

REDEEM PREFERRED

Large Cash Assets May be Used in Materially Writing Down New Issue

Widespread discussion among Canadian shareholders of Hiram Walker-Gooderham & Worts, and in the financial community generally, has followed the decision of directors—shareholders consenting at the meeting on March 4 next—to rearrange the capital structure.

Briefly, the company proposes to create 660,000 shares of preferred stock and 660,000 shares of no par value common stock and out of these shares to give one share of new preferred and one share of new common for each four shares of the old common stock now outstanding. Each preferred share is to have preference as to assets up to $20 a share and cumulative dividends at the rate of $1 a share per annum, payable quarterly, the first dividend payment date to be June 15, 1932. The shares are redeemable at the option of the company at a price not exceeding $20 a share in the open market or by call. Both stocks are voting stocks.

The capital and surplus items in the last consolidated balance sheet shown in the following table are adapted to the new proposed structure for the benefit of shareholders:

Capital and Surplus:			
Preferred:			
	Authorized 875,000 shs.	Outstanding 660,000 shs. ..	$13,200,000
Common:			
	Authorized 875,000 shs.	Outstanding 660,000 shs. ..	$14,700,000
Capital surplus			365,976
Earned surplus			5,010,281
			$33,276,257

Use Walker's Cash

Many financial men believe that the proposed plan may possibly prove a pioneer effort that will be followed by similar plans for other companies designed to retrace the actions taken in boom days when stocks were split and new stock issues sold to shareholders at special rates. Many companies increased the number of shares outstanding in this way considerably and it is becoming a moot point with a number of executives whether or not it would be a good thing to reduce capitalization until it bears a good working relation to present market conditions. Even with many companies whose dividends have remained unchanged market values have fallen to a very low point.

In the case of Hiram Walker-Gooderham & Worts there are special reasons advanced in the market for exchanging 2,640,000 no par value shares for 660,000 shares of preferred and 600,000 shares of common stock. In 1929 the company obtained nearly $10,000,000 of new money for contemplated expansion by the issue of rights just after a three-for-one split in the stock. The expansion plans did not mature and the company has no immediate use for the money. It is believed that the new plan would be followed by a redemption of a considerable part of the new preferred stock and that within a measureable period the whole issue might be redeemed, leaving only 660,000 shares of no par value common stock outstanding or one-quarter of the present number.

Would Create Investment Issue

In the meantime the splitting of the stock would make the preferred stock an investment issue of some merit in close relation to the rate of present dividend disbursements. Last balance sheet as of August 31, 1931, showed the company with Dominion of Canada bonds due 1933 and 1934 worth more than $6,000,000. The preferred stock is now selling on the market at about $11 a share, and if such prices continue the amount outstanding might be reduced materially this year. The company has a liquidating proposition with 15,000,000 gallons of matured and maturing spirits so that it could theoretically stop operations altogether for a while and await sale of a product which as

(Continued on page 2, col. 1)

Ford Not Thought to be Over-Estimating Demand

Speculation is still lively regarding the Ford production plans.

All recent announcements have been centring upon the new Eight that the company is going to introduce as a running-mate to the 1932 "fours." Interest in the volume of production that is being prepared for has been side-tracked.

Side by side with reports that Ford is now preparing to produce "the most advanced form of transportation for the greatest number of buyers ever encompassed by the plans of any one manufacturer," are more sober ones to the effect that Henry is not out to force the market but is laying careful plans to gauge the present consumer demand.

Of these two conflicting stories the latter appears to be the more probable in the existing circumstances, and it is not thought likely that Ford will step into a heavy production programme without being very thoroughly convinced that there is a large latent demand. And, even with a marked price reduction such as is anticipated, there would seem to be a strong element of uncertainty in this regard despite a late report from Detroit that dealers there are booking orders "sight unseen" and "at the market."

In the matter of prices it is understood that Ford is going to set a smart pace and it is not improbable that moves toward price reductions may shortly be seen among the other makes.

It is rumored that Chevrolet has an eight-cylinder car up its sleeve in readiness to close with Ford in the new field as soon as the public has demonstrated its desire for a cheap "eight."

Aviation Companies Hit By Air Mail Cut

From Our Own Correspondent

OTTAWA.—Unless the Bennett government can be prevailed upon to revoke part of its economy programme, air mail services will be practically discontinued at the end of fiscal year, March 31.

Last year the votes for air services totalled $5,442,000. The estimates now before parliament carry only $1,750,000. This cut makes impossible the continuation of air mail services, except to the far north. It involves, also, the elimination of most of the civil aviation work, such as forest patrols, survey work, anti-insect dusting, etc.

Ask Skeleton Services

The air mail companies are making strenuous efforts to persuade the government to reconsider the matter, to provide at least enough money to maintain skeleton services over established air routes. From their point of view, complete abandonment will entail heavy losses both in equipment, investment and personnel. It will place 600 of the 1,000 trained airmen—pilots, observers, mechanics, etc.—out of work with little or no chance of obtaining jobs within the country.

It is quite clear, of course, that this measure of economy is purely temporary. The government does not intend permanently to abandon air services. The general impression is that the votes will be increased as rapidly as government revenues will permit. Against this line of argument, the air mail companies will contend that if present personnel is lost, the task of reviving a service will present almost insurmountable difficulties. Moreover few will want to invest in aviation companies in future if government contracts are not beyond the effect of temporary economy cuts.

WINDSOR HOTEL CONTROL REMAINS IN SAME HANDS

Reports That Change Has Occurred Branded as Unfounded

From Our Own Correspondent

MONTREAL.—Reports that have been prevalent regarding some change in control of the Windsor Hotel are denied. Hon. J. M. Wilson and J. Alderic Raymond head the group controlling the hotel and its operation still continues under the direction of the latter, who has been vice-president for the past ten years.

There were one or two changes effected in the company's directorate recently, notably the election of the Hon. J. M. Wilson to the presidency in place of Victor E. Mitchell, and the retirement of David B. Mulligan as vice-president and general manager.

Develop Empire Trade

Shareholders will be interested to know that the management is working along definite and individual lines with a view to increasing room sales. Efforts are being made to develop especially Canadian and British business and it is stated that a measure of success is being attained.

The general level of business, however, is still unsatisfactory, as is the case with all hotels at the present time. Working expenses have been reduced considerably, a factor which found reflection in the financial statement for 1931.

Despite the recession in room sales the report showed earnings sufficient to cover the present preferred dividend needs, while in addition $250,000 of 6½ per cent preferred stock was redeemed, leaving $2,000,000 outstanding. Sinking fund operations reduced outstanding bonds by $86,300, making a total retirement of $336,300 of securities during the year.

Coming in The Post

This week The Financial Post publishes the first of three articles on Canada's future in wheat. These articles are based upon the very able address delivered recently to the Royal Canadian Institute, Toronto, by D. A. MacGibbon, of the Board of Grain Commissioners for Canada. The succeeding two articles will follow in due course.

Investors will watch with interest for two useful supplements to be published soon with The Financial Post. One will deal with the present position of Canadian public utilities, such as the power companies, the tramways, the gas companies, etc.,

Another supplement will review the record, the present position and the outlook for each of the country's trust companies and mortgage lending companies. Securities of these companies have withstood the depression better than any other single class and for that reason the record of the companies will be of especial interest at this time.

The Post is preparing some articles to show how various company's profit-sharing and employee stock subscription plans have worked out in the depression period.

Loan Moratorium Likely on Coast

From Our Own Correspondent

VANCOUVER. — British Columbia will probably declare a one-year moratorium on the payment of all mortgage principal, and legislation to implement this plan will be introduced by the government early in the present session.

The plan, briefly, postpones the maturing date of all mortgages by a year, but interest and taxes must be paid as usual. That is to say, if a man has a mortgage on his property which matures on March 1 next, he can refuse to pay the principal until March 1, 1933, provided he keeps up the payment of interest and taxes. If he fails to pay either of these the mortgage holder may foreclose the mortgage in the usual way.

WESTERN STEEL SUBSIDIARIES CARRYING ON

Cash Advanced to Them to Avoid Need for Receivers

Position of various subsidiaries of Corporate Steel Products and of its subsidiary, Western Steel Products, has been further clarified to some extent during the last week. National Trust Co. as receiver and manager of Western Steel Products has taken over all the property used or occupied by George W. Reed & Co. including unfinished contracts and accounts receivable.

A. Wachsmuth, formerly vice-president and general manager, has been appointed general manager for National Trust Co. He states that all contracts now in course of performance will be continued and carried out by the receiver and manager. The new plant on Richelieu St. is one of the finest on the continent for carrying on a roofing business and manufacturing a wide range of sheet metal products including fireproof doors, metal windows, steel and casement sash, steel office and industrial partitions, metal lockers and steel shelving.

G. G. Complin, vice-president and manager of Metallic Roofing Co. of Canada, Toronto, also states that though his company was a subsidiary of Western Steel Products and is therefore under the control of National Trust Co. as receiver for its parent company, the business will be carried on as before. Metallic Roofing Co. has been authorized to pay at once in full all its trade creditors. The management remains the same as before: G. G Complin as general manager, G. W. Sunderland as sales manager and O. D. Dath in charge of contract work such as partitions, lockers, windows, steel decks. The company was established in 1885.

Corporate Steel Products recently obtained control of Heather & Little, an old-established Toronto firm, and it is understood that Corporate Steel Products still owes Heather & Little principals a considerable sum of money for the stock.

It is hoped by principals that Heather & Little will return to its old original status. The company is regarded as a solvent company with no financial troubles except those involved in the legal tangle developing out of the connection with Corporate Steel Products.

A meeting in Montreal on March 7 may further clarify this subsidiary's position.

Algoma Steel Reopens Sault Ste. Marie Unit

From Our Own Correspondent

MONTREAL.—Merchant mills of Algoma Steel Corp. have been reopened and some 700 men have been given employment. Prospects for business, it is understood, are still unsettled and it is not known how long the present activity will last. The company's rail mill is still idle.

In common with other steel manufacturers Algoma Steel Corp. mills have had little business recently and prospects for earnings in the current fiscal year ended June 30, 1932, are not encouraging. In the last fiscal period income from operations was $148,099 which compared with $2,823,482 in the previous year.

'PEG OFFICIALS HUDSON'S BAY FULL OF HOPE

Vigorous Development of Canadian Interests is Planned

CONTROL HERE

Recent Visit of Governor Cooper Confirmed Management Plan of Past Eighteen Months

Vigorous development in Canada, by Canadians, of the three spheres of operation of Hudson's Bay Company in Canada, namely retail stores, lands and fur trading, is assured according to information given a representative of The Financial Post by officials of the company in Winnipeg recently.

At present the company is feeling the effect of general business conditions but is taking the opportunity of effecting economies in its organization which will enable it to take full advantage of the improvement which its officials are assured will come, in the vast territories in which it operates.

Former Stand Confirmed

No radical changes have been made in the company's organization since the visit of Major Ashley Cooper, governor of the company to this country last fall, except that his visit confirmed very definitely the plan of management which has been followed since 1930, whereby control of the company's Canadian operations is centred entirely in the officers and directors of the company resident at Winnipeg.

Only on matters of broad policy is reference to London necessary under the present plan of operation which vests in George W. Allan, K.C., as chairman of the Canadian committee and in P. A. Chester, general manager of the company, the fullest powers for dealing with the affairs of the company.

Three Important Spheres

As to the future, officials of the company are convinced that Hudson's Bay Company has equally important possibilities in its land and fur trading department as in its retail stores and all departments are being developed with equal energy and enthusiasm. The company is one of the largest employers in the Canadian west, having about 7,000 persons on its payroll and while operations and profits for 1931 will undoubtedly reflect the difficult year experienced by all areas in which the company operates, the company is convinced of the soundness of its present policy of maintaining these intact and under the one management.

It is expected that the company's annual report will be available earlier this year than last, although it will not be published much before midsummer. Last year its publication was delayed until toward the end of July.

No Figures Available

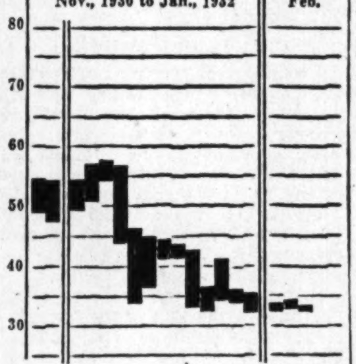
The company announced last December that it would be unable to pay dividends on its preferred or common stocks for the year ending May 31, 1932. No information as to the company's financial position is available during the year and until the company publishes its annual report, although sales of land are published quarterly in London, England. The last of these quarterly reports revealed that sales of land for the second quarter of the company's present fiscal year amounted to but 2,897 acres as compared with 16,546 acres for the corresponding period a year ago.

The company's annual report for 1931 is anticipated with more than usual interest in view of the fact that it will doubtless contain in some detail, the results of the tour of the Canadian properties of the company made by Governor Ashley Cooper last year.

Harry A. Harries, former superintendent of branches of the old Molson's Bank, died recently in Bristol, England in his 64th year.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Feb. 23	33.5	32.3
Week of Feb. 16	34.1	32.3
Month of Feb., 1931	58.9	49.4
8 Bank Stocks		
Week of Feb. 23	204	203
Week of Feb. 16	204	204
Month of Feb., 1931	249	244
10 Public Utilities		
Week of Feb. 23	55	53
Week of Feb. 16	55	54
Month of Feb., 1931	87	80

Canadian Brokers Think Short Selling Necessary

Regard New York Ruling Making Special Authorization Necessary as Designed to Aid President's Inflationary Programme

Because Canadian stock exchanges react sensitively to any important change in policy of the New York Stock Exchange there has been widespread interest in brokerage circles in the new rule that brokerage house customers must give special authorization before their stocks can be lent to short sellers. Opinion in Canada differs just as much as it does in New York as to whether or not this is going to make a fundamental change in trading conditions or not.

Already leading New York firms have taken steps to secure authorization from their customers, some firms offering to let customers have full financial benefit of any interest or premiums received as a result of lending the stock and others offering to let customers have part of such special revenue.

Special forms of authorization according to these various ideas have been prepared, and most of them commit the customer to giving full blanket authority, recallable at will, for the broker to loan his stocks for a consideration. If this is permitted many think that no real change in the situation will result unless the governing committee of the stock exchange sees fit to require a special authorization from each customer for each loan of his stock.

Move May Fail

Many brokers in Toronto and Montreal are inclined to think that the move will fail to attain its objective of restraining short selling because of the willingness of customers of stock exchange firms to sign the required authorizations for free lending of their stocks. Large holders of stock such as investment trusts have always been willing to lend their stock, feeling that they are amply protected by the responsibility of the broker to return their stock at demand. They can get quite an income in this way where premiums are paid to the marginal owners of the stock.

Sought Aid to Inflation

It is generally understood that the measure was not inspired by President Hoover out of a desire for reform of the New York Stock Exchange procedure or protection of clients of brokerage houses but only because he wanted operations on that exchange in the present crisis to aid the nation-wide attempt he is making to end credit deflation and to start an upward movement in prices and in business activity. With the stock exchange registering low and possibly lower prices, it was feared by the President that other efforts would not have the effect on public confidence thought necessary in order to start the country toward prosperity. It is well known that in times of boom short selling stimulates the rise by forcing bears to cover at higher prices than are apparently justified while in times of price declines short sales may force prices lower than they might go under regular liquidation.

The reasoning at Washington is that increasing prices for stocks would increase available credit and make brokerage loans go higher. If the public followed the upward rise, this would be accentuated. Spokesmen for the stock exchange rather object to one of the old and tried checks on inflationary activity being removed. It might help the national inflation plan but not without danger as the last stock market boom showed. Such booms are difficult to control once started.

In Canada brokers feel that there is no such public effort at inflation as Washington has sponsored and that therefore old-established methods of trading are not apt to be interfered with. Stock exchange members especially, so far as spoken to by The Financial Post, feel that short selling has not been as great a factor in the depression as many claim. Canadians have as a rule not taken kindly to the short side of the market. In the past many brokers have had signed authorization from customers to lend their stock at will to shorts.

Many customers have misinterpreted the New York ruling as forbidding the broker to take a position against his customer. That has not been permitted under New York Stock Exchange rules or under the rules of any reputable exchange. In Ontario it is against the law and other Securities Fraud Acts have followed suit.

Too Many Inexperienced Shorts

In Washington there have been hot advocates of restricting short selling by law as a matter of principle. Most economists consider it a useful regulatory practice. Canadian brokers for the most part take the latter view. They point out that those who have been stating that short selling was cruel, destructive of confidence and without one redeeming trait would find it hard to explain the rise in prices in New York last week on any other ground than that the known short interest encouraged operators to buy. Auburn stock has been bid up repeatedly for no other reason than that it was believed to harbor a large short interest. When it went down again on Saturday explanation given was that the short interest was much reduced and therefore much of the support drawn from the market. The drop may also have been hastened by liquidation.

The short movement is in danger of becoming over-extended at New York as the public has followed the professional operator into bearish operations and will not know when to get out any more than the majority did before the boom burst. Professional operators are reported to be hedging their short operations at present, indicating a fear that they might have to limit losses. Not so the non-professional who is said to have gone short on some inactive stocks more than the available floating supply.

Great Bear Lake Groomed For Orgy of Promotion

This spring promises to see a veritable boom in the Great Bear Lake area. Several large mining companies are making preparations to send in exploration parties to prospect holdings already acquired or to stake claims. In addition, there are literally dozens of syndicates and companies being formed to capitalize on the publicity which has been given the area.

The substantial companies who are already in the Great Bear Lake area have expressed concern about the activities of these boom-makers, knowing that they retard legitimate mining development; that they secure funds by capitalizing on the general enthusiasm of the speculator who is anxious to invest in mining and thus divert money from constructive channels.

In the case of Great Bear Lake, the remoteness of the area, the magic of radium and the romance that has been woven into the picture, as well as the publicity and the propaganda which has been circulated about it, have set the stage as never before.

Public Must be Safeguarded

Some mining men hold the view that a boom and new issues are needed to attract again the general public, which has looked with apathy on mining effort since scandalous brokerage conspiracies came to light. The sounder element in mining realizes that at the present time the public is still suffering from too much boom and too many promotions and from the fact that in the past the public interest received too little consideration.

The public has money for legitimate mining promotions, but people are now insisting that their money go into development instead of into the pockets of promoters. If all new issues carried the assurance that only a minimum amount of the money raised went for promotion and the balance for development, the public taste for mining speculation would be whetted.

The Great Bear Lake area is undoubtedly a fertile filed for prospecting. The limited development at the original find is regarded by those who have seen it as sufficient evidence to warrant the thorough prospecting of the district.

Great Bear Lake has been referred to as a "rich man's rush" owing to the remoteness of the locality and the transportation costs involved. The promise which it shows for adding another chapter to Canada's mining history cannot afford to be marred by a flood of propaganda and spurious promotions, which would retard the proving of its economic importance.

Canadian Celanese Hold Earnings in Past Year

From Our Own Correspondent

MONTREAL. — Financial statement of Canadian Celanese Ltd., for the year ended December 31 last is expected to show much the same results as in 1930, when net profits were equivalent to $9.02 on the preferred stock and 72 cents a share on the common, without giving consideration to arrears of dividends on the former.

Demand for the company's products was well maintained throughout the year, plant operations being conducted on a 24-hour basis for the greater part. Sales last year were stimulated to some extent by the lower price for celanese. While this was beneficial in bringing about increased demand, it tended to limit profits.

Though organized in 1926, Canadian Celanese has only been reporting profit on sales since 1928. In that year such profits totalled $13,257, without taking into consideration interest earnings on capital stock, which brought total income up to $180,409. In the following year profits had grown to $527,519 and in 1930 to $1,254,530.

No dividends were paid on the preferred stock until the end of 1930. The stock was then $29.75 in arrears. Regular dividends have been paid since that time and the management has announced that as soon as conditions are opportune steps will be taken to pay off the arrears.

BEAUHARNOIS COURSE TAKES ANOTHER TACK

Staff Reorganized and Wage Reduction Made

MUCH UNCERTAINTY

Work Well Advanced But Corporate Problems Still Remain Decidedly Unsettled

From Our Own Correspondent

MONTREAL.—The bankers are sitting in the Beauharnois Power saddle! The head office organization has been reduced to a skeleton force, while an order has been giving covering a 15 per cent reduction in wages and salaries of the construction forces.

It is understood that R. A. C. Henry remains in charge and that all efforts for the time being will be devoted to bringing the enterprise into production in time to make power deliveries on October 1 next as called for under existing agreements. Other work has been abandoned and will not likely be resumed until the Federal and Provincial Governments have approved the new plan.

Advances Grow Larger

For some time past loans have been advanced by the banks to carry on the work. The total so advanced is now in the neighborhood of $14,000,000. The first few millions of this are said to have been advanced without guarantee of the Government, but most of it has the definite guarantee of the Federal Government. Security for these advances, of course, lies in the first mortgage bonds of the Beauharnois Light, Heat and Power Co., which it had been proposed to sell to the public prior to the disclosures at the parliamentary investigation.

Many Changes Wanted

It will be recalled that following the investigation, the Federal Government stated that the old Order-in-Council would be cancelled, but that upon a reorganization of the existing company a new order would be issued. Though not definitely stated at the time, it was made known that the Sterling Industrial Corp., sponsored by Senator W. L. McDougald and R. A. C. Henry, would have to return to the company stocks and cash received in exchange for certain assets. The company was also to be reimbursed for contributions made to political campaign funds. It was also stipulated that changes would have to be made in the personnel of the organization.

As the Beauharnois enterprise is a provincial one, and the Federal Government is interested only from the angle of what effect the project may have upon navigation in the St. Lawrence River, it has been necessary for the Dominion and Quebec authorities to act jointly in any reorganization plans.

For the moment Quebec, of course, will not allow the Dominion to infringe upon any of its rights, but, at the same time, it has been necessary for the bankers to deal with Ottawa for the final authority will come from that source.

Though numerous conferences have been held over the past few months, to date, as far as is known, the Dominion Government has not accepted any of the plans submitted by the bankers. It has been said on more than one occasion that matters had been amicably arranged, but apparently such has not been the case. Ottawa despatches even went so far as to give the line-up of the new board of directors, but it is doubtful if the list ever received the stamp of

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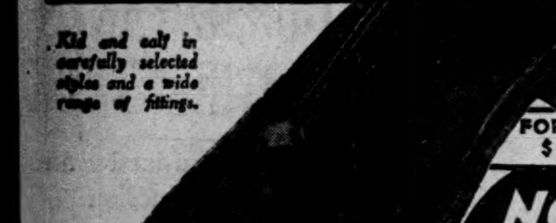
SPECIAL FEATURES

Portage la Prairie Farmers' Mutual Fire Ins. Co. 13-15
Canada's Future in Wheat—Article One of a Series 11



Men—
NEW LOW PRICE
on Birkdale
OXFORDS

Kid and calf in carefully selected styles and a wide range of fittings.

FORMER PRICE $6.50 PAIR

NOW $5.00 PAIR

The Same High Quality associated with the name Birkdale has been rigidly maintained. Birkdale shoes are solid leather throughout.

SECOND FLOOR, QUEEN & JAMES STS.

THE T. EATON CO LIMITED

Birkdale BOOTS WERE $6.50 ARE NOW $6.00

WALKER'S PLAN BEING STUDIED AS PRECEDENT

(Continued from page 1)

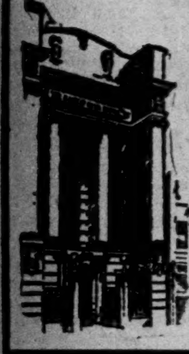
a rule gathers market value as it ages.

Other companies which split stock and issued rights until the amount outstanding is considerable have not as happy a position as Walker's so far as owning cash which could reduce a preferred issue if a common issue were exchanged on similar terms, but it felt that other plans of a similar nature might be effective. It is urged in some cases that if common stock outstanding were to be reduced, the preferred stock issue should be made to bear relation to actual earnings and immediate prospects of a company so that it would retain its investment character and the new common stock could be held as the stake which shareholders have in the future.

Brompton Has Fire in Pulpwood Pile

From Our Own Correspondent

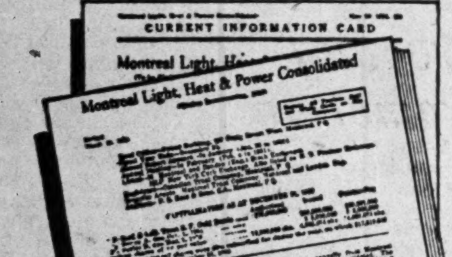
MONTREAL.—Brompton Pulp and Paper Co., controlled by St. Lawrence Corp., has had most of its pulpwood pile at the plant destroyed or seriously damaged by fire. While it is still too early to determine accurately the extent of the damage, it is estimated that the loss will amount to about $300,000, which is covered by insurance.



In Newfoundland

Having twelve branches long established in the important centres of Newfoundland, this Bank is particularly well equipped to assist its Canadian clients who desire to do business in that Colony.

THE BANK OF NOVA SCOTIA
Established 1832
Capital, $12,000,000. Reserve, $24,000,000.
Total Assets over $265,000,000



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Please send me further particulars and sample card on ....
Name ....
Address ....

SIMPSON'S LTD. ENCOUNTERED DIFFICULT YEAR

Maintained Strong Financial Position But Profits Declined Sharply

Though Simpson's Ltd. trenched on surplus to the extent of $242,825 in order to pay preference dividends of $743,305 and Class "A" dividends of $120,000, there still remained at the end of the year $702,229 to carry forward into the current year as compared with $945,504 at its outset. Thus preferred dividends of Simpson's Ltd. were only 84 per cent earned where as in the preceding year they were earned twice over. This result in the preceding year had been obtained after writing off about $350,000 more for reserves for taxes, depreciation and bonuses and employees savings and profit-sharing fund than in 1931. Class "A" dividends were passed in the latter part of 1931.

CONS. INCOME AND SURPLUS ACCT.

Years Ended:	Feb. 3 1932 $	Jan. 28 1931 $
Net earnings†	2,231,351	3,277,687
Less: Int. on 5% 1st mtge. of R. Simpson Co.	79,262	80,485
Divds. on pref. shs. of R. Simpson Co.	201,000	201,000
Int. on 6½% coll. trust bds. of Simpsons Ltd.	662,155	638,751
Res. for taxes	....	101,000
Res. for bonuses & empl. sav. & profit shar. fd.	42,198	135,000
Res. for deprec.	626,256	776,675
Net profits	620,480	1,344,776
Less appropriations†		
Pref. divds.	743,305	671,186
Class "A" divds.	120,000	240,000
Surplus for year	*242,825	433,640
Add: Prev. surp.	945,054	511,414
Bal. carried forward	702,229	945,054

†Combined net profit from operations after deducting selling and general expenses and providing for bad debts but before deducting provision for depreciation of buildings and equipment.

*Debit.

Had Difficult Year

The sharp declines in commodity prices, the intense competition for consumer patronage, the saving mood of the public as the period of depression lengthened out, the difficulties of knowing cost of imported articles under the many rulings made by Customs officials, as to valuations for duty purposes of goods brought from countries whose currencies either had depreciated or appreciated with reference to the Canadian dollar, and the mild winter reducing sharply sales of seasonable goods, all had their effect in making of 1931 one of the most difficult years experienced by the company in its sixty years of history.

Working capital at $8,673,867 showed a decline of about $1,000,000 and the ratio of current assets to current liabilities had also declined as a result of the necessity of writing down inventories as prices declined. The situation is still one of great strength as may be seen from the following table:

Working Capital

	1931 $	1930 $
Current assets	11,933,902	12,791,467
Current liabs.	3,260,035	3,161,597
Working capital	8,673,867	9,629,870
Ratio	3.66—1	4.05—1

Inventories, Receivables Drop

Merchandise on hand on February 3, 1932, cost $6,980,254 as compared with $7,444,473 at the outset of the year. Advances for goods in transit had been $364,286 on January 28, 1931, and were down to $244,393 on February 3, 1932. Cash in the same period dropped from $89,934 to $72,390, and accounts receivable fell from $4,892,774 to $4,636,866. C. L. Burton, president, stated that inventories have been materially reduced, being the lowest since 1923 although sales volume was much higher than in 1923. Current position of the inventories he considered much improved.

Accounts payable advanced from $1,677,683 to $2,508,753. The reserve for government taxes, accrued interest and rents dropped from $886,872 to $596,585.

BEAUHARNOIS COURSE TAKES ANOTHER TACK

(Continued from page 1)

approval from the Federal Government.

The lack of any decisive action, however, has placed the banks in an uncertain position. The public has already put up $30,000,000 for this enterprise and it is necessary to protect their interests. The banks, on the other hand, have a large stake in the concern and they do not see any way of getting their advances back until the balance of the financing is carried out.

Had the reorganization been promptly effected last fall, the financing could have been carried out. Even now it is considered that financing would not present insurmountable obstacles, but there would be no public response to the issue until present entanglements have been cleaned up and the company placed on a sound footing.

The procrastination which has characterized proceedings in the past six months has undoubtedly had an adverse effect on the fortunes of the company. It is very unlikely that anything will happen to hold up construction. At the end of last year most of the work on the initial 200,000 h.p. installation had been completed. The exterior work on the power house was finished last October. Several of the waterwheels have been put in place and work is proceeding on the installation of the generators.

In the bed of the canal the ship channel excavation has been carried out according to schedule. Most of the highway diversions have been built. The three bridges across the canal will be ready for traffic by this spring.

The work programme for this winter includes the erection of the three canal bridges; placing rock on the inner side of the canals; some excavation in the boulder clay section of the canal; reconditioning the $4 800.000 of construction equipment; finishing the interior of the plant; and installing equipment in the power plant.

To date the work is well up to schedule and costs are understood to be lower than those originally estimated.

B. A. Oil Gas Sales Declined During 1931

Gasoline sales dropped from 91,000,000 gallons in 1930 to 88,000,000 gallons in 1931 and total sales from $25,000,000 to $21,500,000. Consumption increased in the east and dropped in Western Canada. Service stations in the five provinces served by the company increased by 19 to 476.

Shareholders increased by 1,000 to 12,725 with 1,300,000 shares registered in Canada and 260,000 shares held in the United States. Of more than 1,000,000 warrants outstanding it is thought that about 100,000 are held in the United States. Control is therefore indubitably Canadian.

Employees increased from 1,635 to 1,853 in 1931.

HAMILTON COTTON PROFITS ARE LOW, CASH IS HIGHER

Failed to Earn Preferred Dividends; Working Capital Up

Earnings of Hamilton Cotton Co. declined in 1931 to $54,797, available for bond interest before income tax, from $97,942 in 1930. While three quarterly dividend payments were made on the $2 preferred stock during 1931, earnings per share, before income tax, amounted to but 17 cents per share as against $2.32 in 1930. Bond interest of $51,494 was earned with $3,303 left for preferred stock.

Physical volume of business was maintained at the 1930 level, but decrease in prices received for finished products, yarns, twines, webbings and cotton cloth, were considerably greater than the drop in cost of raw materials and savings effected in operation. The company's subsidiary, Trent Cotton Co., showed a small profit, but operations were well under capacity. Some $25,900 of the company's 5½% first mortgage bonds were retired, thereby reducing bond interest. Income and surplus accounts for the past two years are as follows:

INCOME AND SURPLUS ACCOUNT
As at Dec. 31

	1931 $	1930 $
Net earnings	54,797	97,942
Less: Bond interest	51,494	52,552
Net profit	3,303	45,390
Less: Pfd. dividend	29,267	39,152
Surplus for year	*25,964	6,238
Add: Prev. surp.	320,114	317,013
Less: Inc. tax, prev. year	1,098	3,137
	293,056	320,114

*Deficit.

Liquid position of the company has been maintained with current assets totalling $779,787 and current liabilities at $63,819, a ratio of over 12 to 1 as compared with 10 to 1 in 1930. Cash on hand has increased to $135,881 from $103,125; accounts and bills receivable are down to $169,733 from $200,458 and inventories to $413,957 from $483,335. Deposits with fire insurance companies amount to $17,003 and investments to $43,213. Included as current liabilities, accounts payable amount to $40,139; accrued wages to $10,266 and bond interest accrued to $13,406.

"SOO" RAILWAY REQUESTS LOAN OF $2,990,000

C. P. R. Interested in Application to American Government

From Our Own Correspondent

MONTREAL. — No decision has been reached by the United States Government as yet in respect to the application of the Minneapolis, St. Paul and Sault Ste. Marie Railway for a loan of $2,990,173 to be used in paying bond interest falling due in the next six months. It is confidently expected that the company will secure the loan, but some time will probably elapse before the matter is considered by the government.

This is probably the first time that the Soo line has been placed in the position of having to borrow money in order to take care of interest charges. Conditions in the area served by the company have not been favorable for the past 24 months and revenue from railway operations has slumped off sharply.

Small Income in 1931

For the past twelve months preliminary figures indicate a net railway operating revenue of only $280,984. This compares with an average of around $7,000,000 for the previous six years and with $3,966,614 in 1930.

The net loss for 1931 after all charges, but excluding the Wisconsin Central Railway, totalled $4,014,675, as against $690,953 in the previous year.

The preliminary figures for 1931 would indicate an increase in fixed charges, which in 1930 totalled $6,214,947. The principal item in this category was $4,605,740 of interest on mortgage bonds.

C. P. R. Has Obligation

The financial problems of the Soo railway are of particular interest to shareholders of the Canadian Pacific Railway, because this company guarantees the interest on $80,605,000 of the total funded debt of the Soo line amounting to $104,574,800. Of the amount guaranteed, the C. P. R. holds in its own treasury $3,993,000, the balance being in the hands of the public.

Aggregate annual interest charges on the Soo bonds, guaranteed by the Canadian Pacific, total $3,327,430. Half of this amount is payable on July 1 and the balance on January 1 of each year.

To date the Canadian Pacific has never been called upon to make good its guarantee of bond interest, revenues of the Soo having been sufficient to cover the charge. Further, it is unlikely that in the present instance the record of the past will be altered, as means will likely be found to take care of bond interest without falling back on the Canadian Pacific.

The Nation's Business

(Continued from Page One)

ther strengthening in the future of the Canadian banking structure, and of its ability to perform the services for which it was designed. The Manitoba savings offices transacted no general banking business. Essentially all they did was to divert a considerable part of the funds of the people of Manitoba into permanent investment in provincial securities.

Undoubtedly there were times when the additional market for provincial issues thus offered seemed a great convenience, but analysis will show it to have been a dearly bought one. The province's various adventures into farm loans and similar schemes, highly unfortunate and costly in their outcome, might have been checked very much sooner had it been always necessary to go to the investing public when more money was wanted for capital account.

* * *

THE general Canadian banking system is founded upon the idea of using the surplus current funds of the country for the financing of general business, and the liquidation of loans preserves the necessary liquidity of the deposits. While some proportion of a bank's funds may properly be invested in long term securities, when current employment for them in other directions is lacking, an institution undertaking to make prompt payment of deposits as they are required, without notice, puts itself in a difficult position when it does not provide for frequent liquidation of its investments. Consequently the basis of the provincial saving offices was not a satisfactory one from the standpoint either of the depositors or of the use made of the funds.

* * *

Something Else to Put a Tax On

THE Ontario Government is said to be toying with the idea of imposing a tax upon the consumption of electricity in the province. The idea is an obvious one to occur to a government somewhat harrassed by the need of finding new sources of revenue to pay for the extravagances of the past and those that have carried over into the present. In Ontario there are consumed every year some 6,000,000,000 kw.h. of electrical energy, produced in central electric stations in addition to probably 1,500,000,000 kw.h. generated by various industries from power sources within their own plants. As a very high proportion of the homes in the province are lighted by electrical energy and as more than 70 per cent of all the power used in industry is electrical power, either purchased or manufactured on the premises, the tax would be well nigh universal in its incidence.

* * *

FROM the standpoint of a taxing authority seeking a simple way of raising money, one that would not arouse too much protest from the general public, such a tax has certain obvious advantages:

1. It would be simple to collect, since the electrical companies could add it to their light and power bills and transmit the money to the government in a lump sum in the manner in which the gasoline companies collect the gasoline tax.

2. A very small rate would bring in a very large revenue. For instance, one-tenth of a cent per kilowatt hour on central station energy would be good for $6,000,000 a year. It would not be seriously noticed by householders. For instance, the average monthly consumption of energy by the domestic user in Toronto is 128 kw.h. and the tax would therefore average only 13 cents a month. It would be less than ten cents a month in some communities, and run up to 40 cents in others, assuming, of course, that the tax did not reduce consumption.

3. The burden would fall chiefly upon large users of power such as manufacturing institutions.

4. The tax would be charged not to the electrical companies, including the provincially- and municipally-owned systems, but to the consumer.

5. While being a very small tax upon small users it would mulct large power users. Industrial plants, street car systems, etc., would bear the heaviest individual burdens. Probably the 15,600 power users of Ontario would pay as large a share of the total tax as the 517,000 domestic lighting consumer users plus the 86,500 stores and other commercial lighting customers.

Thus the tax has all the qualities so desirable from a political standpoint; easy to collect, a big revenue producer and something that soaks the bloated industrialists while bearing lightly on the voting public.

* * *

BUT further consideration of a tax of this character is worthy of study, especially in view of the fact that if Ontario adopts it the example is almost certain to be followed in turn by other provinces throughout the Dominion.

It may be admitted that a small electrical consumption tax on the ultimate consumer would not be a heavy load; it would be simply another straw on an already well-burdened back.

By a public accustomed to having a tax placed on practically everything it buys, accustomed to borrowing and taxing as a substitute for economic government, the tax might be accepted philosophically and might aid the province to get the revenues it most certainly will have to have if it is not going to cut expenses any more than it has planned to do. That portion of the tax paid on light bills would at least be paid only once by the public.

But a tax added to the power bills of manufacturers and other large producers would be a very different thing. It would be multiplied greatly by the time it reached the man on the street. If, let us say, a mill producing woollen yarn and using electrical energy is required to pay an additional tax upon all the electrical energy it buys it will simply have to pass the tax on in the selling price of its yarn This either reduces its power to compete with producers in other provinces and other countries and thus throws some of its men out of work or it increases the price of yarn to those who buy yarn. The weaving mills would have to base their schedule of costs on higher raw material prices. They, too, would pass it on, with their usual margin of costs and profit added, to the tailor, and the tailor would finally pass it on to the public. The small tax would become a very large burden on the consuming public before it has finally been passed upon to the ultimate payer.

One-tenth of a cent per kw.h. does not sound high but it would be the equivalent of a twelve per cent tax on the selling price of the service sold.

* * *

AS A matter of fact, Ontario is entitled to larger revenues from the electrical industry. The industry and its consumers are not paying their proper share of the costs of administration of the province. The private companies and their customers are; but the private companies represent the smallest part of the electrical industry in Ontario.

The last public accounts of Ontario showed the province to have a gross debt of $472,000,000, of which advances to the Ontario Hydro-Electric Commission totalled $175,000,000. All the functions of government are supplied to the enterprises represented by this $175,000,000, practically without charge. This debt is supposed to be self-supporting; it is in the sense that if the hydro enterprises contribute to the government the interest on the debt they have created. But they do not contribute to provincial taxes the share of provincial revenues that should logically be expected of any institution of such magnitude. The last census of the electrical station industry in Canada showed that the total yearly taxes paid by publicly-owned electrical stations in Ontario amounted to less than $300,000, although their total revenues were over $35,000,000. The province's few privately-owned plants paid over $1,000,000 in taxes, although their revenues were less than $12,500,000. Ontario taxes gas and electric companies on their paid up capital and on their net revenue, but specifically exempts publicly-owned works. The municipalities tax the hydro on only a few isolated properties. Of course taxes paid to the federal government are virtually nil.

Thus Ontario's first step should be to lay down a proper and equitable basis of taxation for its publicly-owned electrical system. Any new tax on electrical consumption should be supplementary to that.

* * *

ONE thing that will make it virtually impossible to levy an electrical consumption tax on a fair basis is the inequitable rate structure of the publicly-owned electrical systems of the province. It has long been perfectly clear to students of the situation that in Ontario an excess charge for power is levied against large industrial consumers in order that low rates might be charged to domestic consumers. This has been from a political standpoint a necessary piece of humbug if the whole fallacious structure was to hold the goodwill of the uninformed public. To impose a tax that would further intensify the evil effects on industrial development and on consumer costs of this inequitable rate structure would be a misfortune at the present time If the rate structure were first of all made more equitable, then the kilowatt hour tax would have greater justice.

Guarantee of Deposits Urged by Business Week

Suggestion that the United States government, through the Federal Reserve System, guarantee all deposits in national banks, to restore confidence in the banking system and end hoarding is made by Business Week, New York.

"Hoarding will cease only when losses to depositors through bank suspensions are definitely and completely stopped," says Business Week. "There can be no compromise or qualification on this point. If some strong banks are to be supported and other weak ones not, the public will make no distinction between them. Unless the government is willing to say specifically what banks it will support —which it cannot do—there is no alternative but to give an unqualified guarantee to all depositors that their money is safe in any bank. If the Reconstruction Finance Corporation or the Reserve System under its now regulations cannot undertake this for all banks, Congress should immediately amend the Reserve Act to compel all banks of deposit to become members, and set up in the Reserve System a deposit insurance fund for the protection of depositors. This is a step without which confidence in our banking system cannot be completely restored and continuously maintained.

"The most astonishing thing in this whole situation is that banking authorities seem unable to see how simple, safe, and inexpensive such insurance would be, and are persistently opposed to it. Can it be that they have never examined the amazing record of the results of liquidation of national banks suspended since the beginning of the system? The latest report of the Comptroller of the Currency shows that losses to depositors in all the national banks which failed from 1865 to October 31, 1931, amounted to only $55,000,000. This loss during a period of 66 years, in which the country experienced several depressions and panics of the greatest severity, compares with an aggregate deposit turnover during the entire period, in all national banks, of about $400,000,000,000. This means that the loss to depositors has been about $1.37 out of every $10,000 of deposits—a rate of a little over a hundredth of one per cent.

"No other business in the world has ever been able to show a risk record like this. In fact the risk of deposit insurance is so small and so accurately calculable that an eminent banker has made to this paper the surprising suggestion that insurance of bank deposits could easily be undertaken by private insurance companies. It offers to them an unexploited opportunity and would have certain technical advantages over a system set up by the banks themselves or the government because it would permit specific refinement and closer control of the risk."

Egg Supply Declining in Parts of Ontario

Crop reports as received from agricultural representatives in Ontario in the past week, would indicate that the majority of live stock are in good condition and have had the opportunity of more exercise this winter than for some winters past. A number of poultrymen report that their flocks are starting to moult due to heavy production early in the season and the supply of eggs has fallen off as high as 50 per cent in some counties.

Considerable concern is expressed regarding the supply of ice and wood; there not having been sufficient cold weather and snow to supply ice and allow for transportation of ice and wood.

Permanent

Conditions change and new situations arise from time to time. For more than 114 years the Bank of Montreal has given safety for funds, and dependable financial service to an ever-increasing number of customers.

BANK OF MONTREAL
Established 1817
TOTAL ASSETS IN EXCESS OF $750,000,000

Collared from Englishmen!

ENGLISHMEN, as a rule, are pretty set in their manner of dress. When they find something that's good they stick to it. That's the way it is with the tab collar, so there was nothing for it but to filch it.

Here's the idea: two tabs, one on each side, fasten to the collar button *under* the tie. The edges are reinforced with celluloid stays (with apologies to the corset dept.). The result: your tie stays put, your neck looks neat. The entire district between your coat lapels undergoes a local improvement.

We'll show you fine shirts of British woven broadcloth with 2 tab collars to match or tab collar attached in the Store for Men right now.

Expensive? No. $2.50.

THE ROBERT SIMPSON COMPANY LIMITED

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SEND ☛ CANADIAN NATIONAL EXPRESS
MONEY ORDERS

A WELCOME $2,500

IF you don't need it when it comes — it will bring some splendid pleasures. If you do need it—$2,500 may save your business, your health, your home.

And so easy to create—$16.25 tucked away monthly—55 cents a day. No doubts—no speculative risks. Booklet "Multiplying Money" explains plan delivering $1,000 to $100,000 on a fixed date. Use coupon below.

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TORONTO, ONTARIO
OFFICES IN 51 CITIES

GENERAL TRUST OF CANADA

MONTREAL — QUEBEC
BALANCE SHEET
December 31st, 1931

ASSETS

CAPITAL-ACCOUNT:		
Cash in office and bank	43,487.02	
Accounts receivable	1,924.62	
Loans fully secured	324,244.65	
Accrued interest on above	11,899.00	
Advances to estates	187,643.61	
Stocks, bonds and mortgages	717,910.08	
Accrued interest on above	14,952.08	
Office furniture and reorganization expenses	2.00	
Real estate	21,472.85	
Total Assets of the Company		1,323,535.91
ESTATES, TRUSTS and AGENCY ACCOUNT:		
Bank	221,563.54	
Investments:		
Stocks	5,092,162.99	
Bonds	16,227,788.95	
Mortgages	403,686.29	
Real Estate	2,873,410.34	
Sundries	64,466.40	
		24,883,078.51
GUARANTEED ACCOUNTS:		
Call loans on bonds and stocks		1,514,650.00
		$27,721,264.42

LIABILITIES

CAPITAL-ACCOUNT:		
Accounts Payable	$ 1,669.47	
Accrued Expenses	3,844.91	
Dividend declared but unpaid	16,622.00	
Income Tax Reserve	11,000.00	
	33,136.38	
RESERVE:		
Unearned fees	43,436.61	
PROFIT and LOSS ACCOUNT.	141,962.92	
CAPITAL-STOCK, fully paid:		
Common	5,000.00	
Preferred	1,100,000.00	
Total Liabilities of the Company		1,323,535.91
ESTATES, TRUSTS and AGENCY ACCOUNTS:		24,883,078.51
GUARANTEED ACCOUNTS:		
Principal and accrued Interest		1,514,650.00
		$27,721,264.42

PROFIT and LOSS ACCOUNT

BALANCE January 2nd, 1931	$ 108,287.24
PLUS:	
Net profit for the year	99,675.68
	207,962.92
LESS:	
Dividends	66,000.00
BALANCE, December 31st, 1931	$ 141,962.92

Approved for the Board of Directors:
J. M. Wilson, President.
D. O. Lespérance, Vice-President.

AUDITOR'S REPORT

I have the honor to report to the shareholders of General Trust of Canada that I have examined the accounts of this Company for the year ended 31st December 1931 and have obtained all the information and explanations required.

I have verified the cash balances and the securities held by the Company both for its own account and for the account of the Estates and Trusts under administration.

I certify that, to the best of my knowledge, the above balance sheet abstracted, from the books as at 31st December 1931, exhibits a true and correct view of the financial affairs of the Company.

MAURICE CHARTRE,
Chartered Accountant.

MONTREAL, February 17th, 1932.

Thirty-Ninth Annual Statement of The Eastern Trust Company 1931

LIABILITIES

Capital Account:		
Capital Paid Up	$1,000,000.00	
Reserve Fund	200,000.00	
Profit and Loss Account	21,675.12	
Reserve against Liability for Taxes	28,028.80	
Dividend No. 123 due Jan. 1st, 1932	20,000.00	
		$ 1,269,703.92
Deposits for Investment, Guaranteed	$2,852,338.42	
		2,852,338.42
Estates, Trusts and Agency Account:		
Estates, Trusts and Agencies under Administration	$44,196,365.08	
		44,196,365.08
		$48,318,407.42

ASSETS

Capital Account:		
Dominion, Provincial and Municipal Bonds	$ 430,797.54	
Stocks	902.75	
Loans on Stocks and Bonds	60,786.43	
Mortgages	358,314.67	
Accrued Interest on Mortgages and Bonds	12,188.99	
Real Estate Held for Sale	37,001.95	
Office Premises, Vaults and Safe Deposit Boxes	147,835.17	
Advances to Estates, Trusts and Agencies	94,561.09	
Cash in Bank and on Hand	127,315.33	
		$ 1,269,703.92
Deposits for Investment, Guaranteed:		
Dominion, Provincial and Municipal Bonds	$ 649,799.77	
Mortgages	1,897,774.64	
Loans on Stocks and Bonds	216,830.23	
Accrued Interest on Mortgages and Bonds	25,065.47	
Cash in Bank and on Hand	62,868.31	
		2,852,338.42
Estates, Trusts and Agency Account:		
Stocks and Bonds	$33,559,114.39	
Mortgages	5,569,023.86	
Savings Bank	171,861.03	
Call Loans	329,156.50	
Cash in Bank and on Hand	205,043.43	
Real Estate, Mortgages, Stocks, etc., at Inventory Values	4,362,165.87	
		44,196,365.08
		$48,318,407.42

PROFIT AND LOSS ACCOUNT, DECEMBER 31st, 1931

To Quarterly Dividends Nos. 120, 121, 122	$ 60,000.00
" Quarterly Dividend No. 123 Declared and Due January 1st, 1932	20,000.00
" Province of Nova Scotia	200.00
" Reserve for Taxes	18,000.00
" Auditors' and Directors' Fees	10,600.00
" Assets Written Down	36,474.85
" Office Furniture Written Off	642.32
" Balance	21,675.12
	$167,592.29
By Balance December 31st, 1930	$ 17,282.14
" Profit after deducting charges of Management and all other expenses	150,310.15
	$167,592.29
1932 Jan. 1, By Balance	$ 21,675.12

W. A. BLACK, President　　**D. MACGILLIVRAY,** General Manager

AUDITORS' CERTIFICATE

TO THE PRESIDENT, DIRECTORS AND SHAREHOLDERS OF THE EASTERN TRUST COMPANY.

Gentlemen:

We have audited the books and accounts of your Company for the year 1931, and have found the same correct and in order, and we have been furnished with all information and explanations that we have required.

We have examined the balance sheet of December 31st, 1931, submitted herewith, and certify that in our opinion the respective statements are properly drawn up, so as to exhibit a true and correct view of the state of the Company's affairs at December 31st, 1931, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

We also certify that the investments in each estate are shown therein and are held in the name of each estate, separate and apart from each other and from the Company's investments.

Respectfully submitted,

JOHNSON, SMITH & CO., Auditors.

Halifax, N.S.,
February 4th, 1932.

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RIVERSIDE SILK EARNINGS SHOW SOME INCREASE

Class "A" Shares Earned $1.83 Per Share — $1.80 in 1930

Riverside Silk Mills Ltd. maintained earnings during 1931 at the 1930 level, somewhat under the dividend requirements on the class A stock. Earnings per share on the 30,000 class A shares outstanding amounted to $1.83, as compared with $1.80 in 1930 and $4.33 in 1929. Current position remains strong with bank loan of $40,000 paid off, although accounts payable have increased by over $45,000. No payment was made on the class B stock during 1931, but dividends amounting to $2 per share were continued on the class A shares during the year.

Net earnings of the company are shown at $55,085, after depreciation and income tax, as compared with $54,079 in the previous year. Depreciation reserve was increased by $26,681 against $25,500 in 1930 and income tax provision is up to $3,850 from $2,959, indicating that 1931 operating revenue exceeded that of 1930 by a higher margin than shown. Passing of dividends on the class B stock during 1931 made a saving of $10,000 and surplus carried forward was but $5,661 less than that brought forward from 1930.

The income and surplus accounts for the past two years compare as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Net earnings*	55,085	54,079
Less appropriations:		
Class "A" divds.	60,000	60,000
Surplus for year	†4,915	†5,921
Add: Prev. surplus	468,664	484,585
Less: Class "B" divds.	......	‡10,000
Tax adjust.	746	......
Bal. car. forward	463,003	468,664

*After providing for depreciation and income tax.
†Deficit.
‡Paid out of previous year's surplus.

Current assets of the company amounted to $328,927 at the end of 1931 against $334,538 in 1930. Cash increased to $21,455 from $4,188; accounts receivable, less reserve, dropped to $145,177 from $190,869 and inventories of merchandise and supplies increased to $158,794 from $135,980. Prepaid insurance remained unchanged at $3,500. Business of the company is chiefly with manufacturers and wholesalers, the products being silk yarns for hosiery and underwear and also broadsilk.

Current liabilities amount to $77,279 against $80,209 in 1930 with accounts payable the largest item at $53,397 against $7,676 in 1930. Bank loan of $40,000 in 1930 has been wiped out; accrued wages have been reduced to $5,022 from $14,575; dividend payable on class A stock remains at $15,000 and provision for income tax has been increased to $3,860 from $2,959.

Real estate and buildings are valued at $235,338 and machinery and equipment at $419,264, the latter item showing increase of $23,562 during the year. Against these valuations is set up a reserve of $143,246 for depreciation, greater by $26,681 than in 1930. There remain outstanding 30,000 class A shares and 20,000 class B shares, both of no par value. Class A and class B shares are carried at $300,000; surplus is $463,003.

CANADA HAS ASSET IN FLYING CLUBS

490 Pilots Trained in Four Years of Operation

That the value of private flying clubs in Canada is recognized by the federal government and their operations encouraged in concrete form was revealed by questions and answers in the House recently. Figures relating to the air mail services in Canada were also given out by the Postmaster General.

Since the inception of flying clubs in Canada the Dominion government has paid out a total of $52,372 in grants. This amount is made up of $8,630 in the fiscal year 1928-29, $17,964 in 1929-30, $15,973 in 1930-31, and $9,805 in 1931-32. These sums presumably included the annual subsidy of $5,000 extended to the flying club association for salaries to officers and employees. In addition to the above the department of national defence has issued, on loan, equipment to the value of $364,134 to various clubs in the Dominion.

490 Pilots Trained

Further, the government also has an agreement to pay $100 for each pilot qualifying as a result of training received through a flying club. Up-to-date flying club instruction has been responsible for 490 pilots securing their private licenses, while 126 pilots who have received their commercial licenses were students of flying clubs.

While air mail services have recently been substantially reduced official figures given in the House show that in the seven months period from July 1, 1931 to January 31, 1932, the mileage covered was approximately 644,786 and the total weight of mail carried, 224,904 lbs. The cost to the government amounted to $472,540, this being the apportionment for the period of the various types of contract in existence, some of these being on a yearly, seasonal, monthly or weekly basis, and others by mileage or weight.

McD. and C. Holdings Formed in Montreal

From Our Own Correspondent

MONTREAL. — Incorporation of McD. and C. Holdings Ltd., forms another step in the plan under which McDougall and Cowans, bankrupt brokerage firm, will resume business. The holdings company will take over the property and assets of the six partners who were members of the brokerage firm.

The charter empowers the new company to allot and issue its fully paid shares to creditors of the bankrupt firm on the basis of one share for each $100 of debts. In addition the company will issue to creditors an undertaking to pay them on February 1, 1930, the full amount of their debt plus an amount equal to 10 per cent of such debt, the charter states.

The total amount of unsecured creditors' claims totals $4,333,909. The new realization company will have a capital of 60,000 shares of which 43,400 will be issued to unsecured creditors. Profits of the new concern will be distributed on a basis of 60 per cent to the realization company and 40 per cent to the partners.

Provincial Charity Doubles in 6 Years

Another in Series of Articles Outlining Some of the New Ways Governments Have Found to Spend Money

ITEM NINE: PUBLIC WELFARE WORK IN THE PROVINCES

The vast expansion of social and welfare activities on the part of governments is one of the significant phenomena of present times. In Canada it is one of the underlying causes of the rising level of taxation.

What Canadian governments spend in the course of a year on social and charitable work would be exceedingly difficult to figure. In 1931 the expenditures of the provinces—which are capable of calculation—were in excess of $40,000,000. The municipalities spent close to $30,000,000, the estimate being based upon the per capita expenditures in a few typical municipalities. Undoubtedly the Dominion government, through its contributions to old age pensions, farm relief and unemployment relief (apart from public works), spent enough to bring the total to well over $100,000,000 or about $50 for every family in the Dominion of Canada.

Achieving Socialism Via Taxation

It is a case of taxing the many to provide relief or comfort for the indigent few. At first blush, one is tempted to feel proud of our national generosity and to extol the expansive ideas of advanced sociology that are reflected in a per family expenditure of $50 a year on welfare work of one kind and another. Second thoughts might lead to some concern if the conclusion is reached that such an enormous expenditure of funds indicates a vast total of social misfits in the country. But to interpret the expenditures either as evidence of a philanthropic spirit in the body politic or as evidence of a low average of individual wealth or health in the country is quite wrong.

Our expenditures on social work, charities and public welfare have been moving ahead by leaps and bounds because of the widening circle of socialistic thought in Canada. Canadians, as a whole, would rebel at any suggestion that they have decided leanings in the direction of socialism. But socialism implies merely a redistribution of wealth to bring the possessors of much of the worldly goods and the possessors of little nearer to the common average. Russia attempted to gain this objective by revolution and a new economic order. Great Britain attempted it by heavy taxation of those whose worldly goods totalled above the average and distribution of the proceeds, through various paternalistic schemes, to those whose wealth was below the average. To a degree somewhat less pronounced we have done the same in Canada. The utmost ingenuity has been exercised in the development of brand new forms of taxation. Very largely the proceeds of the new taxes have been used to promote schemes of a social welfare nature.

Ousting Agencies of Private Charity

In the pre-war days the state, through the 4,000 odd governing bodies in the country, confined itself within a narrow limit of social work and the great agencies of private philanthropy brought into play voluntary charitable work on a nation-wide scale. Today the state is gradually ousting private charity from the field it formerly occupied. So large a proportion of the average man's tax payments goes now to provide for work that would formerly have been carried on by private charity that many men of means are pondering the extent of their present responsibilities. While there is no evidence yet that private charity is failing to hold the support of those with wealth, the thought is nevertheless gaining ground that if the state is going to socialize or redistribute wealth via taxation then the obligation of the individual is less than it once was.

Within the confines of this article it is hardly possible to discuss at length the implications of the new policies of socialism via taxation. The development has been outlined and it remains now to consider the effort of it upon the taxpayers of the Dominion. As a comprehensive statistical study is virtually out of the question in the present state of available data on the subject, it will be best to confine ourselves very largely to the provinces, for which some interesting facts are available. For some of this information The Financial Post is indebted to the Citizens Research Institute, which has compiled many interesting analyses of provincial government expenditures in Canada.

What Provinces Spend on Public Welfare

The total expenditures of the provinces on public welfare work and for charitable grants have shown the following rate of growth:

1922	$15,633,036
1923	17,870,411
1924	18,472,073
1925	20,688,567
1926	21,412,869
1927	23,326,941
1928	27,245,927
1929	29,896,399
1930	35,892,549

It will be noted that in the last of the six years shown the expenditures doubled. What the record for 1931 will show remains to be seen but considering the increase in old-age pensions and the widespread unemployment and farm relief undertakings, the expenditures will have jumped to between $40,000,00 0and $50,000,000.

What the expenditures amount to per family is interesting:

Approximate Public Welfare Expenditures (Per Family*)

	1922	1930
British Columbia	$18.50	$11.
Alberta	10.50	20.
Saskatchewan	11.	22.
Manitoba	11.50	23.
Ontario	11.	20.
Quebec	3.50	12.25
New Brunswick	4.00	7.
Nova Scotia	9.25	11.
Prince Edward Island	5.50	8.50

*The per capita figures multiplied by five.

What is Included in Figures

The figures are the provincial expenditures on such items as health, hospitals, child welfare, old-age pensions (not including federal and provincial contributions), mothers' allowances (not including municipal contributions, etc.) There is in each province some revenue as an offset such as private contributions to patients' maintenance, etc., but these do not greatly alter the figures.

Most of the provinces boast of their public welfare activities. Hon. E. A. Dunlop, provincial treasurer, presenting his pre-sessional financial statement for 1930, said:

> "Ontario stands admittedly in the forefront of the provinces in regard to social legislation. Such legislation, placed on the statute books with the purpose of improving the conditions under which our people live, extending equal opportunities to all, and ameliorating the conditions of the underprivileged and mentally deficient, involves the expenditure of large sums of money. Such expenditures, from the very nature and aim of the services rendered, must necessarily expand from year to year, and result in benefits far in excess of the actual money involved."

How Ontario's Costs Are Increasing

At the same time, the minister presented a statement showing items in the public expenditures that had increased during the year. Among the increases were:

Public health	$ 120,000
Old age pensions	2,105,000
Mother's allowances	80,000
Unemployment offices	35,000
Children's aid	32,000
Hospitals, etc.	740,000

The pre-sessional financial statement for 1931 showed further increases as follows:

Public health	$ 76,000
Old age pensions	128,000
Mothers' allowances	110,000
Hospitals, etc.	115,000
Direct unemployment relief	765,000

Rise is Rapid in Recent Years

Ontario's expenditures on such services were $6,401,232 in 1922. Note the rapid rise between 1927 and 1930:

1927	$ 8,701,541
1928	9,815,336
1929	10,085,479
1930	13,251,896

Requires New Ministerial Department

Ontario has gone so far as to set up a brand new department of government to centralize activities of public welfare and has put a cabinet minister in charge.

In 1930 the province had a commission look into the whole question of public welfare work. This commission found the province "badly lacking" in various branches of welfare work. It recommended additional capital commitments in new public welfare institutions of $23,229,500 which would add roughly $2,500,000 to the province's expenditures. The report has not yet been implemented by the government.

While Ontario has been dealt with similar conditions apply in most of the provinces as these figures show:

Public Welfare and Charitable Grants

	1922	1926	1930
Prince Edward Island	$ 113,562	$ 121,345	$ 150,296
Nova Scotia	967,962	948,358	1,134,183
New Brunswick	304,742	405,238	617,100
Quebec	1,608,917	3,548,175	6,634,059
Ontario	6,401,232	7,990,247	13,251,896
Manitoba	1,186,944	1,839,849	2,936,662
Saskatchewan	1,683,311	1,915,572	3,865,062
Alberta	1,435,746	1,527,232	2,503,291
British Columbia	1,930,620	3,116,858	*4,800,000

*Estimated.

Municipalities also have shown a rapid rate of increase in their public welfare and charity bills. The city of Toronto may be cited as an example:

1922	$2,138,094
1923	2,419,341
1924	2,380,694
1925	2,287,989
1926	2,347,500
1927	2,481,489
1928	2,786,183
1929	2,951,865
1930	3,614,446

Points That Taxpayer Should Consider

It may be that the general tax-paying public is thoroughly satisfied with this record. But these points are entitled to consideration:

1. Costs of public welfare work in all classes of government in Canada have increased more rapidly than population, national income, national wealth.
2. Such work has made necessary new forms of taxation (such as the meals tax in Quebec).
3. Self-reliance and thrift are to some extent being undermined by greater dependence upon the state.
4. Deflation has made the problem of financing such activities a difficult one.

SEEK PULPWOOD ACT CURTAILMENT

Association Wants Smaller Cut on Crown Lands

From Our Own Correspondent

MONTREAL.—Provincial Governments of Ontario, Quebec, New Brunswick and Nova Scotia are being requested by the Canadian Pulpwood Association to curtail the cut of wood by pulp and paper companies on Crown lands.

At the recent annual convention of the Canadian Pulpwood Association, the following resolution was unanimously adopted:

"Acutely conscious of the distress and hardship now prevalent throughout the rural districts due to the lessened demand and the unprecedently low prices obtainable for their various products, particularly pulpwood and lumber; realizing that it is the sincere wish of the various governments to contribute to the alleviation of this distress without resort to the expenditure of large sums of money on unemployment relief; satisfied that a restriction of the cut on Crown lands by the large pulp and paper companies would immediately improve this situation by creating a larger demand for the production of the farmer and settler without, however, increasing the cost of wood to the mills; knowing that the farmers and settlers are readily able to provide adequate quantities of wood to offset such proposed curtailment; recognizing the pressing necessity for adequate conservation of publicly-owned wood which would likewise be accomplished by the action herein suggested; and confident that the governments will welcome practical suggestions to this end, Canadian Pulpwood Association, embracing in its membership over 13,000 pulpwood producers and dealers from Sydney, Cape Breton, in the east to Fort William and Port Arthur, Ontario, in the west, in annual convention assembled, are unanimously resolved that immediate action on the part of the Provincial governments of Ontario, Quebec, New Brunswick, and Nova Scotia that would curtail the cutting by pulp and paper companies on Crown lands, so long as there is any quantity of farmers' or settlers' wood on the market unsold, would do more than any other single thing to restore prosperity to the rural districts of these provinces.

"On behalf of its widespread and representative membership, the association respectfully petitions the several Provincial governments accordingly."

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Winnipeg Body Seeks to Curtail Tariff Rule

Declaring that the frequency with which the tariff policy of the federal government is being altered under Section 43 of the Customs Act is inimical to the interests of business in Canada, The Importers and Consumers' Association has been formed in Winnipeg and has instituted a campaign to obtain abolition of "tariff rule by order-in-council."

The chief complaint of the Association is that business is being lost by merchants' inability to buy, issue catalogues and standardize prices for any appreciable time ahead, and, further, that Section 43 invests the Minister with too wide a power in the administration of the Act.

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Southern Canada Power January Net Increases

From Our Own Correspondent

MONTREAL. — Southern Canada Power reports net earnings for January of $131,074, compared with $130,655 in the same month last year. Gross earnings at $197,960 for January showed a decrease of $14,633, while operating expenses at $66,886 showed a decrease of $15,052.

For the first four months of the company's fiscal year ending with January, the company's earnings amounted to $509,167. This compares with $520,338 in the corresponding period of the preceding fiscal year, a decrease of $11,171. The four months' growth at $798,532 showed a decrease of $34,446, while operating expenses at $289,365 showed a decrease of $23,275.

Quebec Power Subsidiary Issues $2,000,000 of Bonds

From Our Own Correspondent

MONTREAL. — Quebec Railway, Light and Power Co. has added to its capitalization through the issuance of $2,000,000 first mortgage bonds. These bonds, which carry a coupon of 6 per cent and mature in 1960, were taken up by the parent company, Quebec Power Co.

All of these securities of Quebec Railway, Light and Power, including $750,000 of preferred and $2,500,000 of common, are owned by the Quebec Power Co.

MINES

THE FINANCIAL POST SURVEY OF MINES is the only complete record of mining activity in Canada available in permanent form. It is a vivid compilation of facts relating not only to the industry in a broad sense, but to the various companies that together form that industry.

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Utilities and Transportation

GATINEAU POWER ADD TO FACILITIES IN OTTAWA AREA

Work Started on Doubling Capacity Val Tetreau Sub-Station

From Our Own Correspondent

MONTREAL. — Construction of additional substation and transmission line facilities has been undertaken by Gatineau Power Co., subsidiary of Canadian Hydro-Electric Corp., in order to provide for increasing electric power requirements in the Ottawa and Hull districts.

Capacity of the company's Val Tetreau substation for supplying 11,000 volt power is being increased from 40,000 h.p. to 80,000 h.p. through the installation of three additional 10,000 k.v.a. transformers of the outdoor switching type and additional 110,000 and 11,000 volt switching equipment.

New Power Line

From the Val Tetreau substation an 11,000 volt steel tower line one and one-quarter miles long is being constructed to the Chaudiere district by the company for distribution of power from that point. This line will be designed to carry six three-phase 11,000 volt circuits, of which two new circuits will be installed at this time and three existing circuits will be moved over from the present wood pole line. Additional 11,000 volt switching will be installed at the Chaudiere No. 2 power house of the company.

The Val Tetreau substation is the most important substation in the company's system. It is located in Hull and interconnects 14 of the company's hydro-electric generating plants with a total installed 60-cycle capacity of 279,119 h.p. From the Val Tetreau substation 110,000 volt steel tower transmission lines extended to the Brighton, Chelsea, and Farmers hydro-electric plants, to Eastern Ontario, and to Hawkesbury, connecting at the latter point with the company's network of low voltage distribution lines and eastern generating plants.

Have Let Contracts

Contracts have already been let for the new work. The transformers are being manufactured by Canadian Westinghouse Company; switching equipment by Canadian General Electric, Canadian Westinghouse and Elepeco of Canada; instrument transformers by Packard Electric; aluminum bus work by Aluminum (VI) Canada; reinforcing steel by Steel Co. of Canada; cement by Canada Cement; insulators by Canadian Ohio Brass and Canadian Porcelain; steel towers by Canadian Bridge; and aluminum conductors by Canada Wire and Cable.

Cost of construction is being met from funds already available so that no new financing will be involved.

Power Corp. Group Record Gain in 1931

From Our Own Correspondent

MONTREAL.—Power Corp. of Canada's group of utility companies report an output in 1931 of 1,767,671,986 kw.h. as against 1,696,629,612 kw.h. in 1930. This represents an increase of 4.2 per cent in the aggregate largely because of the inclusion for seven months of the year of the output from the Seven Sisters plant of Northwestern Power Co.

Apart from the latter company's output of 50,235,200 kw.h., the total increase noted for the year was 20,807,174 kw.h., equal to over 1 per cent.

The largest increase reported by individual companies was the total of 418,226,810 kw.h. by Canada Northern Power Corp., which represents an increase of 14 per cent over total output for 1930.

Comparative totals for the two years are as follows:

	1930	1931
Southern Can.	170,128,882	161,061,600
Canada Nor.	367,148,780	418,226,810
East Kootenay	80,295,900	72,306,500
B. C. Power	471,711,271	492,612,852
Northern B. C. ...	8,836,679	8,945,824
Winnipeg Elec. ...	177,590,100	179,508,200
Manitoba P.	420,938,000	384,775,000
Northwestern P...	....	50,235,200 (7 months)
Total kw.h.	1,696,629,612	1,767,671,986

Shawinigan Alters Date on Next Dividend Payment

From Our Own Correspondent

MONTREAL. — Dividend payment dates on the common stock of Shawinigan Water and Power Co. and Quebec Power Co. have been changed.

Hitherto Shawinigan's dividend has been declared from 15 to 16 days before the end of each quarter. In future the declaration will be made on the 15th day of the month following the end of the quarter. In other words, whereas the Shawinigan dividend has been paid on the 10th day of January, April, July and October, from now on such payments will be made on the 15th day of February, May, August and November.

Directors of Quebec Power Co. have decided to follow the policy of the parent company, the Shawinigan Water and Power, and have changed their dividend payment dates accordingly. From now on Quebec Power will pay its dividends on the common stock on the 15th day of February, May, August and November.

B. C. Power Cover "A" Dividend to Date

From Our Own Correspondent

MONTREAL. — Class "A" common stock dividends of B. C. Power Corp. were covered during the seven months ended January 31 last, though not by as large a margin as that reported for the corresponding period of the preceding year.

Gross earnings for the period amounted to $8,138,922. After taking care of operating expenses there remained net earnings of $2,756,083. During the corresponding period of the fiscal year 1931, gross income totalled $8,674,380 and operating expenses $5,590,636, leaving net earnings of $3,083,744.

After provision for bond interest and preferred stock dividends there remained a balance for the seven months' period of the current fiscal year of $1,298,234 available for dividends on the common stock. This compared with $1,608,673 for the seven months ended January 31, 1931.

Stresses Fruit Growing in Manitoba

W. R. Leslie, superintendent of the Dominion experimental farm at Morden, in a recent address, referred to the twenty years of development of the fruit growing industry in Manitoba and predicted that Manitoba will soon see additions to hardy varieties of fruit. He further stated that at the present time Manitoba is producing some of the finest varieties of apples.

Maritime Telephone Toll Traffic Holding

From Our Own Correspondent

MONTREAL. — Long distance toll traffic of the Maritime Telegraph and Telephone Co. during January numbered 117,554 calls, of which 111,787 were completed, or a percentage of 95. This is a small decrease over the corresponding month of last year.

The percentage of completed toll tickets for Class "A" exchanges was 94.3 and for Class "B" exchanges, 96.8.

At the end of January this year, Maritime Telephone had installed 12,548 stations, including 5,918 stations belonging to its subsidiary, The Island Telephone Co. At the end of the preceding month stations installed numbered 12,587, of which 5,938 were credited to the subsidiary.

JAMAICA SERVICE REPORTS INCREASE IN TOTAL ASSETS

Working Capital Higher —Surplus Raised to $183,144

From Our Own Correspondent

MONTREAL.—Consolidated balance sheet of Jamaica Public Service, Ltd., and subsidiary companies at December 31, 1931, shows an increase in total assets and higher working capital. Total assets were up $318,198 at $4,850,192 while working capital was $260,555, a gain of $7,000.

According to preliminary figures issued, net earnings for the year were down .89 per cent at $336,273, and the balance available for reserve, retirements and dividends was lower by 6 per cent at $227,338. Final figures, which will not be published for another month, are expected to show all dividends covered.

Cash is Increased

In the consolidated balance sheet a notable feature is a gain of $152,000 in cash which now stands at $273,798 and for the first time the company shows $15,000 of reacquired securities, representing purchases made of its subsidiary's bonds. Property account is higher by $155,092 at $3,884,798.

Accounts receivable are higher by $41,000 at $126,199 and inventories are lower by $9,000 at $113,352. Unamortized bond discount and expense have been reduced by $10,000 to $214,146 while the company's investment of $220,982 in 7 per cent preference shares of its subsidiary is unchanged.

In liabilities, notes payable of $165,466 make their first appearance. Accounts payable are higher by $4,000 at $34,289 and accounts not yet due are higher by $9,000 at $53,039. Retirement reserve at $313,558 shows a gain of $100,000, while operating reserve is down $8,000 at $33,471.

Earned surplus at the end of the year was increased by $53,969 to $183,144. All figures shown are converted from the pound sterling at the rate of $4.86 2/3 to the pound.

B.C. Hopes to Share British Lumber Trade

From Our Own Correspondent

VANCOUVER.—If British Columbia mills are assured of a definite portion of the lumber trade of Great Britain, their operators are willing to organize plants to cut to the specifications of that market, The Financial Post is informed.

"Even 10 per cent of the trade would justify this action," said a leading Vancouver lumberman, who pointed out that if cutting to British specifications was done at present it would leave the mills with a large quantity of low-grade lumber which they could not sell on any market.

Sentiment in the United Kingdom is strongly in favor of Empire lumber, although normally Britain buys only 10 per cent of its lumber from this source. Eastern mills were virtually shut out of the business by low priced Scandinavian stocks, and even with the 10 per cent preference, it is said that Canadians will find it impossible to underbid Russia.

Public Utility Earnings

Jamaica Public Service

	1931	1930	Dec.
Gross earn.	$77,849	$80,551	$2,702
Oper. exp.	42,885	42,682	*203
Net earn.	34,964	37,869	2,905
Interest	9,371	9,391	20
†Balance	$25,593	$28,478	$2,885

*Increase.
†For reserves, retirements and dividends.

B. C. Power Corp.

January:	1932 $	1931 $
Gross earn.	1,249,830	1,331,429
Oper. exp.	807,535	866,152
Net earn.	442,295	465,277
Int. & pfd. div.	208,264	211,049
*Balance	234,031	254,228
7 Mos. End. Jan. 31:		
Gross earn.	8,138,992	8,674,380
Oper. exp.	5,382,909	5,590,636
Net earn.	2,756,083	3,083,744
Int. & pfd. div.	1,457,849	1,475,071
*Balance	1,298,234	1,608,673

*Available for common.

B. C. Power

January:	$ 1932	$ 1931	$ Decrease
Gross	1,249,830	1,331,429	81,599
Expenses	807,535	866,152	58,617
Net	442,295	465,277	22,982
7 Mos. ended Jan. 31:			
Gross	8,140,284	8,674,379	534,095
Expenses	5,384,202	5,590,637	206,435
Net	2,756,082	3,083,742	327,660

Jamaica Public Service

December:	1931 $	1930 $	Increase $
Gross earn.	77,848	80,551	*2,702
Op. exp. & taxes..	42,884	42,681	203
Net earnings	34,964	37,869	*2,905
Int. & amort. chgs.	9,370	9,391	*20
Balance	25,593	28,478	*2,885
12 Mos. ending Dec. 31:			
Gross earn.	829,597	833,853	*4,255
Op. exp. & taxes ..	493,324	494,553	*1,228
Net earnings	336,273	339,300	*3,026
Other income	3,911	......	3,911
Balance	340,184	339,300	884
Int. & amort. chgs.	112,846	95,857	16,988
Balance	227,338	243,442	*16,104

*Decrease.

OTTAWA VALLEY POWER PROJECT GROWING APACE

Four Units Installed and Work Well Ahead on Others

From Our Own Correspondent

MONTREAL. — Ottawa Valley Power Co. which, with the Ontario Hydro-Electric Commission, is jointly developing the Chats Falls power site on the Ottawa River, now has installed and in operation four units, with a rated capacity of 112,000 h.p. This is half of the ultimate development, comprising eight units of 28,000 h.p. each, or a capacity of 224,000 h.p. in all.

Work on the other units is proceeding steadily. All of the turbines have been installed and the generators are being erected.

Work With Hydro

Under the contract with Ontario Hydro, the dam and power house of four units on the Quebec side is owned by Ottawa Valley Power Co., while the Commission controls the dam and a similar power house on the Ontario side. The development will be used jointly by the two parties under an agreement extending for 75 years from March 1, 1926.

All the primary power generated by the company has been contracted for by the Ontario Hydro-Electric Power Commission, subject to the company's right to withdraw power for sale in Quebec, under a 40 year power contract between the two parties. Initial deliveries of 48,000 h.p. were instituted on October 1 last, the date upon which the agreement became effective. A further 48,000 h.p. will be taken by Hydro on October 1 this year.

Provision is made in the contract for the joint development of additional power as the stream flow and other conditions permit, any additional power being purchased by the commission.

MONARCH KNIT REPORTS PROFIT OUTLOOK BETTER

Preferred Earned $2.11 Per Share Compared With Loss in 1930

Aided by decreased importations during 1931, which permitted increased production of hosiery lines, Monarch Knitting Co. shows profit of $52,511 in 1931, as compared with loss of $59,613 in 1930 and, after deduction of $35,000 for depreciation and $1,628 for income taxes, earned at the rate of $2.11 per share on the 7,500 shares of 7 per cent $100 par value preferred shares outstanding.

Dividends on the preferred stock, passed in February 1, 1931, will not be resumed until warranted by earnings and improved business conditions. Knitted goods have been seriously affected by importations during the past year but, with the expiration of the trade treaty between Canada and France in June, 1932, it is hoped that this situation will be remedied. Through the passing of preferred dividends during 1931 the company was able to increase surplus account by $36,628 to $514,197 and increased ratio of current assets to current liabilities to 2.37 to 1, as compared with 2.12 to 1 the previous year.

Income and surplus account for the past two years compare as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Profits	52,511	§59,613
Less: Res. for deprec. ..	35,000	35,000
Res. for income tax ..	1,627	......
Net profit	15,884	§94,613
Less appropriations:		
Pref. dividends	......	52,500
Surplus for year	15,884	*147,113
Add: Prev. surplus	498,313	645,426
Bal. carried forward	514,197	498,313

*Deficit.
§Loss.

Current assets shown at $1,132,419 are slightly lower than in 1930, with cash slightly higher at $49,362; accounts receivable up to $270,151; inventories down to $791,356 from $819,751 and unexpired insurance and deferred charges slightly lower at $21,549. Chief change in current liabilities, which total $478,975, is reduction in bank loans to $347,917 from $395,499 in 1930. Bills payable, sundry loans and employees' deposits are down to $71,812 from $84,321 and accounts payable are higher at $57,619.

Real estate, plant, machinery and equipment is valued at $1,752,164, an increase of $17,958, before depreciation. Depreciation reserve after an increase of $35,000 stands at $872,150. Investments remain at $9,833 and goodwill, contracts, trademarks, etc., at $995,905.

During 1931, there was no change in capital and there remain outstanding 7,500 shares of preference stock and 12,750 shares of common stock, both classes with a par value of $100. Surplus stands at $514,197 as compared with $498,313 in 1930.

British "Big Five" Banks Show Good '31 Earnings

In view of the difficulties and anxieties with which Great Britain has been faced during the past year the financial record of the big English banks demonstrates conclusively their unchallengeable soundness and stability.

Net profits, naturally, have been somewhat smaller, but in no case has the shrinkage been heavy, while Barclay's, in particular, reported a very trivial decrease. Small dividend reductions have been pretty general, but even at the new rate give shareholders a handsome return.

Comparative figures of the profits for the past two years of the "Big Five" banks are recorded below, together with percentage decrease and present dividends.

	Net Profits 1931 £	 1930 £	 Decr. %	Div. 1931 %
Barclays ..	1,794,825	1,821,207	1.4	14
Lloyds	1,926,904	2,129,516	9.5	13⅓
Midland ...	2,056,986	2,318,689	11.3	16
Nat. Prov. .	1,747,007	1,930,854	9.5	16
W'minster ..	1,601,822	1,821,888	12.1	18

COMMISSION SAYS N.S. COAL INDUSTRY MUST CUT COSTS

Recommends 10 Per Cent Reduction in Wages

From Our Own Correspondent

MONTREAL.—A wage reduction of 10 per cent on all adult workmen with the proviso that the minimum shall be $3.25 as compared with Dominion Coal Corp's proposed minimum of $3.05, is recommended by the Duncan Coal Commission appointed to investigate the coal situation in Nova Scotia. A further reduction of 12.5 per cent in all contract rates, effective March 15, is also recommended.

In releasing a comprehensive report on the problems of the Nova Scotia coal industry the commission emphasizes the need of decreasing colliery costs, while it fully realizes the difficulties which are presented by over productive capacity and the presence of too many men in the coal fields.

Labor Over Capacity

The report points out that even if markets could be available for another 1,000,000 tons of coal each year there would still be too many men in the pits. As it is the costs imposed by idle days in 1931 were estimated at $2,,250,000 or about 60 cents a ton. A table is included which shows that in 1926 an output of 5,396,000 tons was obtained by 9,820 men working 230 days per man. In 1931 there were 11,000 men employed working 140 days for an output of only 3,874,000 tons.

Displacement of employees in an effort to reduce costs, which have increased by 55 cents a ton since 1926, raised a problem and a plan for reversion of some miners to the land is advocated, while it is pointed out that in certain other branches of mining, employment is expanding. The only possible result of colliery operations attempting to maintain themselves on the basis of excessive labor force and capacity must be collapse, the report states.

Recommend Independent Umpire

Other recommendations include appointment of an independent umpire to settle disputes on the interpretation and application of the agreement terms between the collieries and the workers; acceptance of Dominion Steel and Coal Corp.'s re-allocation proposals, with the exception of the plan to close Cumberland No. 6 and amendment of the Domestic Fuel Act to bring under its provisions amounts of Nova Scotia coal not now eligible for bonus.

In the latter connection it is pointed out that under present provisions of the act, Canadian coal used in the making of coke is bonused only if the amount is 50 per cent of the product. The commission's investigations had convinced them that 33 1/3 per cent of Nova Scotia coal could be used in combination with other coals to produce the coke desired for displacement of anthracite in the Montreal market. It was urged therefore that the provincial government obtain an alteration in the Federal aid to permit its application to whatever amount of Nova Scotia coal may be used in a coking plant.

As regards wage reductions the commission finds that Dominion Steel and Coal would have been justified in seeking a wage adjustment at the beginning of 1931. Under the terms of a two-year agreement they had carried on until 1932 at the expense of working capital. Although the commission expressed no view on what a fair minimum wage should be, it was unable to agree with the proposals set forth by the mine operators, and recommended only a 10 per cent cut on all adult workers with a minimum of $3.25. Savings from the wage adjustment it was pointed out were vitally important from the point of view of immediate financial stability while the savings which operators hoped to achieve from the re-allocation of areas and concentration of output were equally important to them.

In the re-allocation of operations operators propose to close several mines which would result in the displacement of 2,250 men. It is estimated that when the proposals are in full effect within the next six years they will mean a saving of about 60 cents a ton of the output. Had these plans been in effect today the commissioners believe a market for another 1,000,000 tons would have been available now even without a wage adjustment.

A Sound
Public Utility Security
To Yield 6.50%

The Shawinigan Water and Power Company
Five-year 6% Secured Notes

For those who seek a five year investment, the Notes of the Shawinigan Water and Power Company, due February 1st, 1937, provide an attractive security with substantial yield.
Earnings of the Company in 1931, after providing for exchange on interest payable in the United States, amounted to more than twice the annual interest requirements.

Price: 97.75 and interest, yielding 6.50%
(Plus Transfer Tax)

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News of Investment Markets

NEW OFFERINGS BRING PREMIUM IN EVERY CASE

Demand for British Columbia Bonds Far Exceeded Supply

ALBERTA NEXT?

Toronto Issue May Not Appear Until Latter Part of March — Peel Gets Good Price

While the Toronto financing remained in a state of suspended animation, British Columbia and Montreal Catholic School Commission have sold bond issues aggregating $9,550,000 during the past week with a high degree of success. Offering of the $15,000,000 Toronto issue may not be made until the latter part of March and an offering of $5,000,000 Alberta bonds appears at the present time to be the next piece of financing.

The British Columbia issue of $5,000,000 6's, due 1947, offered at $95.25 to yield 6½ per cent to maturity was taken up almost immediately and subscriptions received by the managers far exceeded the amount of bonds available. The Montreal Catholic School Commission issue of $4,550,000 6's, due 1937, was offered publicly on February 22 at par to yield 6 per cent, the same offering price as the $15,226,000 of Montreal 6's offered on January 19. It is understood that the school commission's bonds had been entirely placed with dealers before the actual offering.

New Issues at Premium

All of the government and municipal bond issues placed this year are selling at prices above the original offering price the chief gain being in the Ontario 5½'s of 1947 which are bid at 3½ points above the price of 96 at which the bonds were offered on January 25. Summary of bid and asked prices on the various issues on February 23 as compared with the offering price is as follows:

				Feb. 23	
			Offer	Bid	Ask
New Brunswick	5½'s	1952	97	97½	97¾
Montreal	6's	1935	100	100	100½
	6's	1941	100	101¼	101¾
Ontario	5½'s	1947	96	99½	99¾
	6's	1935	100	100⅛	100⅝
Br. Columbia	6's	1947	95¼	96½	97
Montreal Catholic Schools	6's	1937	100	100	100½

The high-grade bond market has shown a strength in the past two weeks which, if continued into March, may enable strong borrowers to secure considerably better prices. Bond dealers, however, are not too sanguine of a permanent improvement and point to the substantial volume of financing yet to be accomplished. Few of the borrowers of the past two months have secured all the money required for the present year and government and municipal financing during the remainder of the year may be expected to exceed $100,000,000 with the possibility of Dominion and C. N. R. financing nearing the $250,000,000 mark. Given sufficiently attractive yields, however, there would seem to be every probability that this volume of financing can be accomplished successfully on an internal basis.

While the large borrowers are lining up to get their bonds sold, smaller municipalities and counties are gradually getting into the market with fair success. The County of Peel in Ontario sold $122,000 of 6 per cent 15 installment debentures during the past week on a cost basis of 6.29 per cent which compares favorably with the cost of financing of some of the larger borrowers. The chief point of the sale is in the number of definite bids received while several offers to purchase on an optional basis were also sent in. While it is possible that the bidders already knew where the bonds could be placed, there is some indication of readiness to take on commitments or, what is more important, that large buyers of securities are ready to buy bonds of the smaller municipalities that are in sound condition.

Eastern and Western Dominion Envelope

The annual statement of Dominion Envelope & Cartons, Western, Ltd., showed net profit of $9,429 for the year ended December 31, 1931, as compared with $34,372 the previous year. The company operates factories in Winnipeg and Edmonton. Control of the company is held by Dominion Envelope & Cartons, Ltd., formerly Dominion Envelope Co., which also controls Dominion Boxboards, Ltd.

The recently published annual report of Dominion Envelopes & Cartons, Western, Ltd., should not be taken as that of Dominion Envelope & Cartons, Ltd.

March Dividend Payments Will Exceed $19,000,000

Dividends to be paid by Canadian corporations during March will total in excess of $19,000,000 according to preliminary figures, compiled by The Financial Post, as compared with $24,376,795 in the corresponding month of 1931 and $22,770,591 paid in March, 1930. As in previous months, the list of dividends, passed or deferred, far exceeds the relatively few items of good news.

Montreal Loan & Mortgage Co. has declared the usual annual extra dividend of 1 per cent on the $25 par value stock while Imperial Tobacco Co. has declared a final dividend for the year of 3½ per cent or 17½ cents on the $5 par value ordinary stock. These two announcements complete the list of additional payments.

Dividends have been passed on the preferred stock of Cooksville Co. and dividend on the preferred stock of Upper Canada Investment Trust has not been declared although future payments may be placed on a semi-annual basis. Common dividends have been passed by H. Simon & Sons, David & Frere, International Nickel Co., Union Gas Co., Anglo-Norwegian Holding Co. and Sherwin-Williams Co. Canada Wire & Cable Co. has passed dividends on the class B stock.

The list of dividends declared payable in March and bond interest payments coming due in March are as follows:

SUMMARY OF PAYMENTS

Dividends	$18,944,926
Bond interest	20,042,150
Total	$38,987,076

DIVIDEND PAYMENTS

Company	Rate	Date	Amount
Aluminium Ltd. pref.	$1.50q	1	$ 195,000
Bk. Can. Nationale	2½q	1	175,000
Bk. of Montreal	3q	1	1,080,000
Bk. of Toronto	3q	1	180,000
Belding Corticelli pfd.	1¾q	15	15,142
Borden's	75c.q	1	300,000
Brazilian Tr. ord.	25c.q	1	1,622,511
Canada Bread, 'B' pf.	50c.q	1	12,500
Canada Cement, pref.	1⅝q	31	340,687
Canada Iron	$1.50s	15	23,983
Do., pref.	$3s	15	116,334
Canada Vinegars	40c.q	1	36,800
Can. Wire & Cable 'A'	$1q	15	30,769
Do., pref.	1⅝q	15	48,750
Can. Bk. of Commerce	3q	1	900,000
Can. H-E 1st pfd.	1¾q	1	187,500
Capital Trust	$5y	1	43,590
Connors Bros. pref.	$1.75q	1	4,375
Crow's Nest Coal	75c.q	1	46,594
East. Koot. Pr. pref.	$1.75q	15	17,500
Eastern Theatres, c.	50c.q	1	16,000
Famous Players	50c.q	26	189,330
Ham. Un. Theatres pfd.	1¾q	31	13,787
Imperial Oil (32)	12½c.q	1	3,339,728
Imperial Tobacco	8⅓+17½c	31	2,480,895
Do., pref.	3s	31	240,900
Inter. Milling pref.	1¾q	1	63,109
Do., pref. "A"	1¾q	1	14,191
Inter. Petroleum (32)	25c.q	15	3,631,022
Do., pref.	25c.q	15	50,000
Inter. Proprietaries 'A'	65c.q	15	145,772
Lake Shore Mines	50c.q	15	1,000,000
Laura Secord c.	75c.q	1	43,125
Legare, P. T., pref.	$1.75q	1	10,787
Lindsay, C. W.	25c.q	1	8,252
Do., pref.	1¾q	1	11,847
Loblaw Groc. "A"	20c.q	1	93,508
Do., "B"	20c.q	1	76,660
McColl Fron. c.	15c.q	15	74,458
McIntyre Mines	5q	1	199,500
Montreal Cottons	1¾q	15	45,000
Do., pref.	1¾q	15	52,500
Montreal Loan	3+1q	15	24,000
Muirhead Cafet.	10c	1	7,871
Do., pref.	25c	1	1,998
New Method Ldry. pf.	1¾q	1	4,062
N.S. Light & Pr. pf.	$1.50q	1	18,750
Ogilvie Flour pref.	$1.75q	1	35,000
Photo Engravers	50c.q	1	15,000
Provincial Bank	$2.25q	1	90,000
Reliance Grain, pfd.	1⅝q	15	32,500
Rolland Paper, pfd.	$1.50q	1	22,500
Royal Bank	3q	1	1,050,000
Sher.-Williams pfd.	1¾q	31	60,550
Simon H. & Sons pfd.	1¾q	1	9,065
Siscoe Gold Mines	4c	31	190,000
Walker, Hiram	6¼c.q	15	165,000
West. Empire Life	4y	1	8,724
Windsor Hotel, pfd.	$1.62½q	1	32,500
			$18,944,926

q—Quarterly.
s—Half-yearly.
y—Yearly.
(32)—Coupon No.

BOND INTEREST DUE IN MARCH

Company	Rate	Date	Due	Amount
Ad. Beatty Htl.	7	1	1944	$ 21,000
Andian Nat.	6	1	1940	240,000
Adel. Shep. Bldg.	7	15	1948	28,000
Acadia Apts.	6½	1	1939	27,625
Bawlf Ter. Elev.	6½	1	Ser.	8,450
Bell Tel. "A"	5	1	1955	750,000
Border Cities Htl.	7½	1	Ser.	27,562
Brand.-Hend.	6	15	1939	25,350
B.C. Elec. deb. stk.	4½	30	Perp.	287,355
Br. Amer. Oil	5	1	1945	125,000
B.C. Power "A"	5½	1	1960	275,000
Can. Bakeries	6½	1	1945	28,101
Can. Nat. Rly.	4½	15	1954	585,000
Do.	4½	1	1951	1,125,000
Can. Nor. Ont. Rly.	3½	31	1936	137,547
Can. Nor. Rly.	3	31	1953	140,398
Do.	4	1	1934	341,206
Can. Pacific Rly.	4½	1	1946	450,000
Can. Theatre	6½	1	1941	12,158
Crescent Rd. Apts.	7	1	1946	5,600
Dom. Textile	6	1	1949	149,460
Goodyear Cot.	6	1	1949	41,895
Gt. West. Sadd.	6	1	1948	22,395
Gt. West Timber	6½	1	1938	1,202
Gypsum Lime A	5½	1	1948	106,419
Hermes Bldg.	6½	1	1942	18,037
Hillcrest Coll.	5	1	1940	8,125
Hotel Victoria	6	1	Ser.	7,800
Inter. Waterways	6	1	1937	3,210
Int. Paper	6	1	1955	613,035
Inter. Power	6½	1	1957	97,500
Interlake Trans.	6	1	1937	4,575
Legare, P. T.	6	1	1947	31,020
Lindsay, C. W.	6	1	1958	33,120
Medalta Potteries	6½	1	1949	10,400
Mersey Paper	6	1	1949	60,000
Mex. Tram. 1st mtge.	5	1	1968	251,370
Mont. Pub. Serv.	5	1	1942	74,200
Mtl. L. H. & P. "B"	5	1	1970	125,000
National Brick	6	1	1949	48,000
Nat. Utilities	6	15	1948	5,010
Northern Tele.	6	1	1948	4,500
N.B. Power	5	1	1937	44,400
N.S. Shipping	6	1	1943	3,195
Ont. Bldg.	6½	1	1943	26,000
Peel St. Realties	6½	1	Ser.	16,250
Power Corp. "B"	4½	1	1959	225,000
Pro. L. Heat	5	1	1946	25,150
Regent Knit.	6½	1	Ser.	15,060
Ritchie Cut Stone	6½	1	1948	2,925
Rob Jones & Wh.	6	1	1950	5,838
Stand. Lime	6	1	1944	18,000
St. Clair Ap. Bldg.	7	8	Ser.	2,450
Silverwoods	7	1	1937	5,649
Stanley Realty	7	1	1945	14,000
Toronto Carp. A	6	1	1944	24,240
Trail Apts.	6	1	1947	1,200
Viceroy Mfg.	6½	1	1950	9,750
Un. Amuse. "A"	6	1	1942	42,219
West. Koot. Pr. A.	5	1	1956	162,500
Corporation bonds				6,995,451
Municipal				*5,285,027
Provincial				*3,820,000
War Loan	5	1	1937	2,254,172
Victory Refund.	4½	1	1940	1,687,500
				$20,042,150

*Figure is determined by dividing by twelve the ultimate total interest payable during the year on these issues.

BRITISH COLUMBIA DEFICIT $4,819,261

Major Revenue Sources Below 1931 Estimates—Income Taxes Higher

From Our Own Correspondent

VANCOUVER.—Necessity for far-reaching retrenchment in British Columbia's public financing became apparent when Hon. J. W. Jones, minister of finance, announced at the opening of the session of the legislature that there was a deficit of $4,819,261 for the last fiscal year ending March 31, 1931. Public accounts showed a surplus of assets over liabilities totalling more than $39,000,000.

The deficit is chiefly due to a drop in the anticipated revenues. For instance, liquor profits turned out to be about $550,000 less than had been expected. Motor licenses, estimated at $2,125,000, show receipts of $1,961,277, a drop of $163,723. The gas tax estimate of $2,000,000 only realized $1,753,285. The income tax estimate of $5,000,000 gives a total of $5,290,263, or an increase of $290,623 over estimates.

Receipts from land and forests, estimate of $5,021,000, dropped to $3,469,493, or $1,551,000 less than estimated.

Current expenditures give a total of $25,991,038, and capital $3,108,026, a total of $29,099,964, against an estimate of $28,072,715.

The total appropriation for the year ending March 31, 1931, including supplementary estimates and special warrants, amounted to $30,460,776, of which $29,099,964 was spent, leaving an unexpended balance of $1,360,812.

Main unexpended balances or departmental savings are as follows:

Public debt (unexpended)	$206,230
Agriculture (saved)	35,000
Attorney-general (saved)	83,800
Education (saved)	71,000
Finance (saved)	68,600
Lands	82,000
Mines	20,800
Provincial secretary	179,000
Public works	514,000
Railways	916

NO SIGN OF REPORT BY RAIL PROBERS

Job of Sifting Immense Volume of Material is Big One

From Our Own Correspondent

OTTAWA. — The Special Railway Commission nears the fourth month of its career without having made much progress in the direction of a report to the government.

In the speech from the throne, the government hinted strongly at an interim report to be made by the commission during the present session of parliament, and, presumably, to be the basis of immediate legislation. Some preliminary work was done on an interim report by the commissioners, but it is learned authoritatively that no real progress has been made in forming constructive recommendations either for a special or a final report. Moreover, present indications are that the commission may delay making a report until the session is concluded, and sometime in the summer bring in a complete and final report.

As far as the investigation is concerned, the work of the commission virtually is complete. Little more is expected in the way of evidence or of petitions. But the immense job of sifting the mass of material now before the commissioners, of framing policies to meet the railway situation remains to be tackled. It is, perhaps, a little early to forecast that the commission will not make an interim report. Nothing will be decided, it is learned, until Lord Ashfield returns to Canada from London. But prevailing tendencies are strongly in this direction.

Index of Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 57.5 for the week ending February 18, as compared with 56.6 for the previous week.

Eleven gold stocks rose from 57.0 to 57.6, four gold-copper stocks from 60.0 to 61.6 and five silver and miscellaneous stocks from 21.7 to 21.9.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1931 $	Net income 1930 $	Common earnings 1931 $	Common earnings 1930 $	Curr. divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Home Investment & Sav.	Dec. 31	53,056	63,306	5.32	6.35	4	12,363	16,592	...	...	...
London & Western Trust	Dec. 31	108,372	81,206	9.7	7.00	7	5,435	1,241	...	...	...
Guelph & Ont. Invest.	Dec. 31	100,218	112,600	10.4	11.6	8	19,377	21,371	...	...	...
Guelph Trust	Dec. 31	30,264	31,924	10.0	10.6	5	30,800	35,586	...	...	...
Western Homes	Dec. 31	*98,865	*98,612	...	...	4	31,466	27,020	...	...	...
Simpsons, Ltd.	Feb. 3	620,480	1,344,776	...	...	..	702,228	945,054	...	...	...
Can. Rail & Harbor Term.	Dec. 31	†199,515	†132,091	...	...	..	§1,164,938	§965,423	...	...	...
Provincial Paper	Dec. 31	325,139	516,188	‡9.29	‡14.75	‡7.00	732,570	672,431	...	...	...
Honey Dew	Dec. 31	147,784	158,677	0.39	0.49	..	199,914	160,468	3	...	...
Debenture Co. of Can.	Nov. 30	8,837	11,422	1.6	2.2	3	2,130	9,280	...	...	...
Northern Trust	Dec. 31	55,752	79,386	...	...	1	67,118	76,366	...	...	...
General Trust	Dec. 31	99,675	91,587	9.0	8.3	6	141,962	108,287	...	...	...
Brit. Amer. Oil	Dec. 31	2,730,930	2,648,033	1.04	1.01	80c	9,631,176	8,054,887	10	...	8
Amalgamated Electric	Dec. 31	†94,737	†44,841	...	...	..	§81,713	13,024	...	...	...
G. Tamblyn Ltd.	Dec. 31	179,284	170,067	4.95	4.53	..	494,701	356,116	...	...	...
Fanny Farmer Candy Shops, Inc.	Dec. 31	232,722	340,999	1.93	2.98	1	1,282,344	1,324,955	10	5.2	10
Hamilton Cotton Co.	Dec. 31	3,303	45,390	‡0.17	‡2.32	...	293,056	320,114	...	...	...

*Before deducting amount for taxes, etc. †Oper. deficit. §Deficit. ‡Preferred stock.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—					
Peel, County of	Feb. 20	Griffis, Fairclough & Norsworthy	6%	15-ins.	$122,000	98.11	6.28%

Bond Issues—	Date Issued	—Offered by—	Rate	Due	Amount	Offered	Yield
Montreal Catholic School Com.	Feb. 22	Banque Canadienne Nationale & Syndicate	6%	1937	$4,550,000	*100	*6.00%
Provincial—							
British Columbia	Feb.	Can. Bk. of Commerce, A. E. Ames & Co. and Syndicate	6%	1947	$5,000,000	*95.25	6.50%

COSMOS IMPERIAL POSITION STRONG EARNINGS DOWN

Failed to Cover Preferred Dividend By Small Margin

Operating at some 50 per cent of normal capacity during 1931, Cosmos Imperial Mills Ltd. annual statement shows contraction in operating profits and after appropriation for taxes, earnings amounted to $5.97 per share on the 13,893 shares of 7 per cent preferred stock outstanding at the end of 1931 against $8.97 in 1930. Dividends paid during the year were not quite earned but liquid position of the company was improved with an increase in investments and further reduction in inventories, bonds and preferred stock outstanding.

Operating profit is shown at $52,727 after all operating costs, depreciation and bond interest, and compares with $107,754 in 1930 and $236,800 in 1929. Income from investments at $41,468 is greater than in any previous year and investment account has been substantially increased. Provision for taxes at $11,156 compares with $6,100 in 1930 while preferred dividends are lower due to stock redemption. Provision has been made from surplus account of $76,766 to bring investments down to market value.

Income and surplus accounts of the company for 1931 and 1930 compare as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Oper. profit*	52,727	107,754
Add: Other income	41,468	28,054
Net earnings	94,195	135,808
Less: Prov. for taxes	11,156	6,100
Net profit	83,039	129,708
Less appropriations:		
Pref. div. paid and accrued	98,719	101,390
Surplus for year	†15,680	28,318
Add: Prev. surplus	409,897	381,579
Less: Adjust.‡	76,766	....
Bal. carr. fwd.	317,451	409,897

*After provision for manufacturing, selling and administration expenses, depreciation of plant and equipment and bond interest.
†Debit.
‡Provision to bring investments to market value Dec. 31, 1931.

Bonds Held Increase

Current assets of the company are shown at $1,415,997, slightly higher than in 1930 while current liabilities are up to $70,283 from $29,404. Cash and call loan secured are down to $169,496 from $288,768 while investments have increased to $743,006 from $493,751. Included in investment account is $661,000 par value of Dominion of Canada bonds as against $375,000 held in 1930. Inventories have been reduced to $329,970 from $467,817; accounts receivable are up to $156,196 from $144,142. Stocks of raw materials have been kept to minimum requirements and the industry has been adversely affected by lack of stability in prices for raw cotton. The company manufactures heavy grades of cotton duck primarily for industrial use.

Investment in the company's subsidiary, J. Spencer Turner Co. is slightly higher at $100,000; real estate, buildings, plant and equipment remain unchanged at $2,485,386 while deferred charges are slightly higher at $12,804. Reserves have been increased with depreciation reserve up to $366,104 from $302,983; reserve for contingencies remaining at $10,000, and provision to bring investments to market value, a new item, at $76,766.

The 6½ per cent first mortgage bonds, due 1944, have been retired to the extent of $27,600 leaving $859,400 outstanding. Preferred stock has also been redeemed and the outstanding amount is down to $1,389,300 from $1,445,300 shown in 1930. Capital and surplus, represented by 50,000 shares of no par value common stock, is shown at $1,242,335 as compared with $1,334,780 at the end of 1930.

N. S. MORTGAGE CORP. COVERED DIVIDENDS

Reserve Account Increased by $20,000 to $310,000

From Our Own Correspondent

MONTREAL.—Income of the Mortgage Corp. of Nova Scotia in 1931 amounted to $146,380 which was sufficient to cover all expenses and dividends, provide for reserves and leave a surplus of $3,571 to be carried forward. During the year dividends at the rate of seven per cent were paid on the company's paid up capital stock and after providing for possible loss on real estate and contingencies the sum of $20,000 was added to reserve which now totals $310,000.

The balance sheet shows total assets of $2,218,393 of which $1,820,215 comprises mortgages on real estate. Other investments include $17,479 of Dominion of Canada bonds, $11,000 of Canadian Northern Railway guaranteed bonds and $7,327 of school district debentures. Real estate held for sale was valued at $40,908 and cash stood at $1,311.

In liabilities debentures outstanding were $802,454; deposits totalled $51,989 and accounts payable were $13,325. Interest accrued on debentures was $11,227 and dividends payable were $11,900. Capital stock subscribed is $1,000,000 of which $320,000 is unpaid.

At the thirtieth annual meeting the retiring board of directors was re-elected.

Bond Tenders

6 o'clock, Feb. 29, Village of Saindon, Que. $19,800, 5½ per cent bonds dated Feb. 1, 1932, redeemable serially from Feb. 1, 1933 to Feb. 1, 1952, payable at Banque Provinciale at Sayabec, County of Matepedia, Quebec or Montreal. J. A. Ross, sec.-treas.

March 8, Riviere du Loup—$85,000, 6 per cent bonds, dated Nov. 1, 1931, redeemable serially from Nov. 1, 1932 to Nov. 1, 1941, payable at Bank Can. Nationale at Riviere du Loup, Quebec or Montreal. J. Lebel, sec.-treas.

March 19, Parish of Sainte Therese d'Amos—$125,000, 6 per cent bonds, dated May 1, 1932, redeemable serially from May 1, 1933 to May 1, 1962, payable at Bank Can. Nationale at Montreal, Quebec, and Amos. J. A. Mireault, sec.-treas.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Cascade Water Power	4½%	1940	†May 1	100
Mt. Royal Tunnel & Term.	*5%	1970	Apr. 15	100
Toronto Conser. of Music	x5%	....	Mar. 1	103

x$5,000.
†Or before.
*Called in part.

Joins Ronald's Agency

B. W. TURNBULL

Formerly with Canada Steamship Lines, who has been appointed to the executive of Ronalds Advertising Agency.

FANNY FARMER COMMON EARNED $1.93 PER SHARE

Cash Position Strong; Additional Preferred is Retired

Fanny Farmer Candy Shops Ltd. earned $1.93 per share on the common stock in 1931 as against $2.98 per share in 1930 after provision for depreciation and taxes and payment of preferred dividends. Despite reduction in gross sales which amounted to some 9½ per cent of the 1930 volume, the company improved liquid position and retired additional preferred stock and bought in 423 1/3 shares of its common stock. Investment account has been increased and a reserve set up to cover depreciation in market value of securities.

Among the provisions of the preferred stock is one which calls for annual setting aside of 20 per cent of the net profits of the previous year to retire preferred stock. This sinking fund requirement is shown at $50,138 in 1931 and in addition the company bought and registered in its own name 329 shares of preference stock and 423 1/3 shares of common stock.

The income and surplus account of the company for 1931 compared with that for 1930 is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Net earnings	278,722	407,809
Less: Res. for taxes	46,000	66,810
Net profit	232,722	340,999
Less: Pref. sink. fd.	50,138	52,262
Pref. dividends	39,267	42,906
Common divds.	99,879	100,000
Cost of pref. shs. bot. & registered in company's name	10,102	2,520
Cost of com. bot.	4,210	....
Surplus for year	29,126	142,952
Add: Prev. surp.	1,324,955	1,182,003
Less: Prov. for deprec. in market value of securities	71,737	....
Surplus forward	1,282,344	1,324,955

Current assets at $1,076,097 are some $6,000 below those of 1930 while current liabilities have been reduced to $61,098 from $93,540. Cash on hand is down to $259,536 from $400,346 and investment account, consisting of government and municipal bonds at cost, is shown at $685,536 as compared with $458,705 in 1930. Investments have been written down to $603,800, however, by setting up a reserve of $81,737 for depreciation in market value. Inventories are lower at $193,492; accrued interest slightly higher at $11,342 and accounts receivable up to $7,928. Principal current liability is reserve for taxes of $46,469 with accounts payable at $14,628.

Bond Sales

COUNTY OF PEEL, ONT.

Griffis, Fairclough & Norsworthy has been awarded $122,000 15 installment 6 per cent debentures of the County of Peel, Ont., at 98.11; approximately a 6.28 cost basis.

Bids for the issue are reported as follows:

1 Griffis, Fairclough & Norsworthy	98.11
2 J. L. Graham & Co.	98.03
3 Harris, McKeen & Co., K. F. McLaren & Co.	98.03
4 Dominion Securities Corp.	97.77
5 Cochrane, Murray & Co.	97.29
6 Bell, Gouinlock & Co.	96.73
Options	
Dyment Anderson	99.15
Wood, Gundy & Co.	98.75
Gairdner & Co.	98.20
C. H. Burgess & Co.	98.08
H. R. Bain & Co.	96.77

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HOME INVESTMENT IMPROVES LIQUIDITY

Winnipeg Firm Maintains Position Despite Difficulties

Net profit after taxes of $53,056 as compared with $63,306 a year ago, is reported by Home Investment and Savings Association of Winnipeg in its 39th annual report presented to shareholders recently. This was equivalent to $5.32 per share as compared with $6.35 per share a year ago. After paying $4 per share in dividends the company wrote off $16,491 against losses on loans and real estate, via contingent reserve and brought forward $12,263 in profit and loss which compares with $16,592 last year.

Total assets are lower at $2,167,216 as compared with $2,251,342 last year which reflects a drop of nearly $60,000 in deposits which amounted to $244,900. Mortgages total $1,350,624 as compared with $1,503,836 a year ago. The company reports that of this total only $225,000 is represented by farm mortgages. Holdings of real estate by the company are higher at $255,849 as compared with $179,800 a year ago while agreements for sale on properties foreclosed and resold are lower at $161,715 which compares with $199,694 in 1930.

Liquid Position High

Liabilities to shareholders remain unchanged with capital stock paid up of $996,500, reserve fund of $500,000 and $25,000 for contingent reserve. Debentures held by the public are shown at $325,996 which compares with $329,159 last year. The company's liquid position shows a substantial improvement during the year, liquid assets representing over 76 per cent of the combined savings deposits and current liabilities.

Details of profit and loss are as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Net earnings*	58,201	68,385
Less: Fed. pro. & munic. taxes	5,145	5,079
Net profit	53,056	63,306
Less appropriations:		
Dividends	39,855	49,802
Surplus for year	13,201	13,504
Add: Previous surplus	16,592	18,063
Less: Trans. to cont. res.	16,490	14,930
Inc. tax adjust.	940	45
Balance carried forward	12,363	16,592

*After deducting interest on borrowed capital and expenses of management.

Earnings per Share and Dividend Record:		
Earned	$5.32	$6.35
Paid	4.00	5.00

FORM BRAWLEY, CATHERS & CO.

Announcement is made of the formation of a new investment firm, Brawley, Cathers & Co., with offices in the Canadian Bank of Commerce head office building in Toronto. G. M. Brawley and C. A. Cathers, principals of the firm, have been associated with Fry, Mills, Spence & Co. for the past six years.

INVESTMENT SECURITIES
The National City Company
Limited
360 St. James St. MONTREAL
320 Bay Street TORONTO
Advisory Board
Sir Charles B. Gordon, G.B.E.
Sir John Aird
W. A. Black
A. J. Brown, K.C.
Wilmot L. Matthews
F. E. Meredith, K.C.
Lt.-Col. Herbert Molson, C.M.G., M.C.
W. N. Tilley, K.C.
The Hon. J. M. Wilson
800

Tenders for Capital Stock of The Consumers' Gas Company of Toronto

$1,250,000

12,500 Shares - Par Value $100 each

Sealed tenders, addressed to the Consumers' Gas Company of Toronto, 19 Toronto Street, Toronto, Ont., and marked "Tender for Capital Stock," will be received by the Consumers' Gas Company of Toronto until 12 o'clock noon of the 17th day of March, 1932, for the purchase, in lots of any desired number of shares, of Twelve Thousand Five Hundred (12,500) shares of the unissued capital stock of the said Company (each share having a par value of $100.00), subject to certain conditions and terms of sale, the particulars of which, together with the form of tender to be used, may be had on application at the office of the Company at the above address.

Dated at Toronto, this 15th day of February, 1932.

By order of the Board of Directors.

ARTHUR HEWITT,
General Manager.

ANNUAL REPORT
The British American Oil Company Limited

TO THE SHAREHOLDERS:—

The report of the Company's operations for the year 1931 is herewith submitted.

The year witnessed the greatest development in the history of the Company. The capacities of the Toronto Refineries were increased, and a new Refinery, embracing the most modern equipment known to the industry, was completed late in August at Montreal East, Quebec. The employment of water transportation, which has been a potentiality of the business for many years, was taken advantage of through the purchase of Oil Tankers and the erection of large Crude Oil Storage at Toronto and Montreal and Cargo Bulk Plants at various lake points for finished products. In cities where we were not adequately represented, a limited number of Service Stations were erected, and at certain points in Quebec, as outlets for our Montreal East Refinery, a number of Bulk Storage Plants were installed. The added facilities and the substantial economies we were able to effect in various departments have, fortunately, contributed very largely to our favorable showing. In the East our business has been of greater volume than in the preceding year, but has been somewhat restricted in the West on account of adverse conditions prevailing in certain areas.

Throughout the year which we have just entered we anticipate no major expenditures in either our Canadian or United States Companies; therefore, the earnings of these Companies will, in the main, be used to reduce our bank borrowings and pay our usual dividend, which latter we hope to maintain.

The resources listed in our statement do not include those assets of friendliness and helpfulness which this Institution has in the personnel of its Customer-shareholders and its conscientious employees. These assets, though in themselves intangible, have great value, and actually do pay dividends in cash to those financially interested in our Company, and dividends in service and satisfaction to our Customers.

A detailed explanation of the items appearing in the Balance Sheet, and of the operations of the Company throughout the year, will be made at the Annual Meeting of Shareholders to be held February 22nd.

February 15th, 1932.

A. L. ELLSWORTH, *President.*

THE BRITISH AMERICAN OIL COMPANY LIMITED
and its Subsidiaries
THE BRITISH AMERICAN OIL REFINERIES LIMITED BRITAMOIL LIMITED and BRITAMOLENE LIMITED

Consolidated Balance Sheet as at 31st December, 1931

ASSETS

Refinery Plants and Equipment; Bulk Storage and Branch Distributing Stations and Equipment; Service Stations and Equipment; Tankers; Tank Cars; Motor Trucks and Automobiles	$21,079,049.86		
LESS: Reserves for Depreciation	6,196,961.77		
		$14,882,088.09	
Crude Oil Leases and Goodwill		2,314,125.11	
Mortgages Receivable less provision for losses		608,398.31	
			$17,804,811.51
Investments in and Advances to Associated and other Companies			3,329,546.16
Cash in Bank and on hand at Head Office and Branches and in transit		$ 1,037,569.36	
Accounts and Bills Receivable, less provision for Doubtful Accounts		3,020,409.20	
Inventories		5,147,615.48	
			9,205,594.04
Deferred Charges:			
Prepaid Insurance, Taxes and Sundry Charges		$ 127,371.57	
Advances to Salesmen for Expenses		16,448.86	
			144,020.43
			$30,483,772.14

LIABILITIES

CAPITAL STOCK:			
Authorized: 3,200,000 shares of no par value			
Issued: 2,622,642 shares of no par value		$10,618,117.50	
Surplus		8,631,175.74	
			$19,249,293.24
Reserve for Sinking Fund Debenture Purchases			9,296.25
Fifteen Year 5% Convertible Sinking Fund Gold Debentures, due 1st March, 1945		$ 5,000,000.00	
Less Redeemed and Cancelled		207,500.00	
			4,792,500.00
Mortgages Payable			54,546.50
Dividend payable 2nd January, 1932		$ 524,528.40	
Bank Loan		3,750,000.00	
Accounts Payable and Accrued Charges, including Sales and Gasoline Taxes		1,721,732.75	
Interest Accrued on Debentures		79,875.00	
Reserved for Dominion Income Tax		302,000.00	
			6,378,136.15
			$30,483,772.14

On behalf of the Board, A. L. ELLSWORTH, *Director;* S. R. PARSONS, *Director.*

AUDITORS' CERTIFICATE

We have examined the Head Office books and accounts of The British American Oil Company, Limited, and its Subsidiaries, The British American Oil Refineries Limited, Britamoil Limited and Britamolene Limited, as at 31st December, 1931, and have incorporated in the above Consolidated Balance Sheet the signed return for 26th December, 1931, of the Western Canada Division, whose accounts were last examined by us as at 26th November, 1931.

We certify that, subject to the value of the investments in and advances to Associated Companies, the above Balance Sheet is, in our opinion, properly drawn up so as to exhibit a true and correct view of the Companies' affairs on 31st December, 1931, according to the best of our information and the explanations given us.

We have received all the information and explanations we have required.

CLARKSON, GORDON, DILWORTH, GUILFOYLE AND NASH,
Chartered Accountants.

Toronto, 17th February, 1932.

Consolidated Surplus and Profit and Loss Account as at 31st December, 1931

Balance as at 31st December 1930			$8,054,886.70
Less: Additional Dominion Income Tax in respect to the year ending 31st December, 1930			56,527.45
			$7,998,359.25
Profit for year ending 31st December, 1931, before providing for Debenture Interest, Depreciation and Dominion Income Tax		$ 4,415,745.26	
Less: Debenture Interest	$ 244,486.48		
Depreciation	1,138,328.69		
Dominion Income Tax	302,000.00		
		1,684,815.17	
			2,730,930.09
			$10,729,289.34
Four quarterly dividends of 20c per share each on 2,622,642 shares for the year ending 31st December, 1931			2,098,113.60
Balance at 31st December, 1931			$ 8,631,175.74

THE FINANCIAL POST

Member Audit Bureau of Circulations

President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER
Manager—GORDON RUTLEDGE
Editor—FLOYD S. CHALMERS

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TORONTO, FEBRUARY 27, 1932

CANADA SHOWS WORLD HOW TO FINANCE

THE success which has attended the placing of bonds of British Columbia, Ontario and Montreal during the past month has done much to strengthen the credit of Canadian borrowers with foreign investors but, so long as present conditions exist in the United States and Great Britain, borrowing by Canadian governments, municipalities and corporations must be confined to Canada. The urgent need for new money, felt by governments and municipalities, must be met by Canadian investors.

Canadian financial houses have been co-operating, during the past two months, in the placing of new loans; sales effort has been mobilized and controlled. This condition may be expected to exist until the market situation is corrected or all the principal borrowers have been served. If the success of the past few bond issues is continued Canadian financing will have been placed on a self-contained basis and in future financing very considerable attention will be paid to the advisability of providing for bonds payable only in Canadian currency; too many Canadian borrowers have felt the pinch of the high premium on United States funds during the past six months.

One of the principal needs of the present period is for the funding of floating debts. In but very few cases has extravagance placed municipalities in a position where obligations have gone in default. The financial stability of Canadian governments and municipalities remains secure with an outlook for greater economies and more efficient management that adds to the security to be obtained by bondholders. While the need for new money is greatest, institutional and private investors have the opportunity of buying high-grade securities at prices which offer yields that have been seldom equalled in the present century.

Provincial and municipal borrowings in 1932 may be expected to approximate $200,000,000 while the Dominion, together with the C. N. R., may ask for as much as $250,000,000. Successful domestic placement of this financing will very materially strengthen Canadian credit abroad. Investors have the opportunity in the next few months of combining patriotism and good business. The effects will be directly and indirectly felt for many years to come.

ST. LAWRENCE CANAL HAS MUCH OPPOSITION

WHILE the country wonders just what is going on behind the scenes in the matter of negotiating a treaty on the St. Lawrence Waterway, editorial discussion in different newspapers from coast to coast indicates how little unanimity of opinion there is on the subject of the potential value of the canal to Canada. The resident of one of the Great Lakes cities and possibly of Winnipeg is apt to conclude from the editorial columns of his local newspapers that everyone wants this canal. The truth of the matter is that the Pacific Coast, most of the prairies, and practically all of Quebec and the Maritimes are definitely opposed to the country embarking upon any large investment in the St. Lawrence seaway at the present time.

Undoubtedly the prime minister is fully aware of the tenuous nature of the support he could count upon if he entered into a treaty involving a large capital investment by Canada at the present time. It may be that Mr. Bennett and Mr. Herridge are merely on a fishing expedition and are simply trying to find out what kind of a bargain the United States is prepared to offer us. There can be no objection whatsoever to reasonable negotiations but most of Canada will insist upon being shown the terms before any commitment is entered into by the government.

There are some groups who wonder if the Seaway would be a bargain even if we got it entirely at the cost of Uncle Sam. It would undoubtedly tend to intensify the problems of our railways unless the business-like procedure of putting all of the national and international canals on a tolls basis were adopted.

The Maritime Merchant, which speaks the viewpoint of Maritime business men, considers the prospect of an expensive canal competing with the railways "most serious." It is serious. A full dress debate in the House of Commons on the St. Lawrence canal might bring out some interesting views right now.

SIMPLE BUT SOUND

CANADIAN INDUSTRIES, the leading chemical and explosives manufacturing company in the Dominion, has started a new house magazine. As is the usual practice, Arthur B. Purvis, the president and managing director of the company, starts the ball rolling with a few well chosen words. Notable is his declaration of the company's policy in regard to the protection afforded it under the Canadian tariff. Mr. Purvis says:

> ". . . our fundamental policies are: Firstly, to implant new chemical manufacturing industries in Canada where,—but only where,—it can be shown after careful study that economic costs of production are likely to be reached within a reasonable period of years—so avoiding undue dependence on tariff support except in the early stages, or in abnormal periods of international stress; and secondly, to base our selling prices on manufacturing costs plus a sufficient profit to provide a reasonable return on the investment in question, and with the definite objective of taking no advantage, or the minimum possible advantage, of any tariff protection afforded."

If all Canadian manufacturers were to adopt this simple formula as their principle and practice in regard to the tariff, most of the arguments about protection would subside in no time.

ANOTHER CONFERENCE GETS UNDER WAY

WALTER LIPPMAN, broadcasting from Geneva, made this comment on the Disarmament Conference:

> "What has happened so far is that the chief delegate of each country has made a speech. He has made a speech addressed, at least nine-tenths of it, to his own people back home."

Most of the international conferences held at Geneva start this way and end up the same way. One man had himself sent to Geneva simply to deliver a speech that enabled him to be elected president of his country back home in South America.

Of course the various Geneva conferences are not solely confined to creating speech-making opportunities for politicians. They serve the additional purposes of passing resolutions to provide for secretariats that create jobs for lots of people who like to earn their money that way.

BALLYHOO IN MINING

ONE of Canada's best known consulting mining engineers writes to approve the recent editorial in The Financial Post on the subject of ballyhoo in mining. He says:

> "I write to congratulate you heartily on your splendid editorial, 'Serious Mining vs. Ballyhoo,' which appeared in your issue of the 30th ultimo and hit the nail exactly on the head, in my opinion. There is far too much ballyhoo in Canadian mining; far too many stockbrokers involved; mining engineers are much too close to the market.
>
> "Please accept my congratulations on the stand you have taken and rest assured of all the support I can give you in your efforts against 'ballyhoo' in mining, which, as you have clearly pointed out, is detrimental to the mining industry and deplored by bona-fide mining engineers."

Last week we reproduced from a journal published in one of Canada's most important mining centres—the Sudbury Star—an editorial which agreed with our contention that overplaying new mining camps for stock market purposes causes more harm than good to serious mining effort in Canada.

On the other hand various persons who are sincerely interested in the development of Canadian mining have urged The Financial Post to modify its stand. Their argument runs something like this:

Mining is a very speculative business in the prospecting and development stage; the ordinary conservative sources of investment funds can not be tapped to raise the necessary capital. It is essential that there be plungers, big and little, to put up the funds required to explore and drill. Such gambling money can only be gathered in by dramatic appeal to the emotions. Excitement must be whipped up in new camps and new discoveries and if, in the excitement, the picture of the prospects is overpainted a bit then no one is hurt much anyway because the people who buy mining stocks in their promotional mining stocks go into them as gambles, anyway, and are ready to take their losses when things go against them.

It would surprise many investors and speculators to find out how widely this viewpoint is held. When The Financial Post was carrying on its exposure of bucketing and ballyhoo in Canadian mining brokerage two years ago, one of the leading banking authorities in Canada was consulted. When certain facts were laid before him and he was asked his opinion of the operations that were being conducted he remarked: "Yes, but you can't get away from that in mining finance, can you?" Yet on the very evidence that was presented to this man certain individuals were sentenced to long terms in prison.

The Financial Post did not believe at that time and does not believe today that crooked promotional activities are a necessary concomitant of mining development. They are one of the most serious influences retarding the growth of mining in Canada. And likewise today we do not believe that exaggerated stories emanating from new camps and a general overdrawing of the mining picture are of any real and permanent value in developing the country's mineral resources for the benefit of the general public and the investor.

The argument for ballyhoo is insincere. Over-zealous propaganda regarding new mining prospects in only the rarest instances has as its objective an extension of our activities in mining our natural resources. The purpose is usually to set the stage either for the sale of an individual stock; for a market play in that stock or for a general boom in the mining stocks for the benefit of insiders.

Canada's mineral possibilities are sufficiently glowing to attract the attention of serious mining investors without cheap emotional appeals designed to make large profits for somewhat ruthless operators.

"BABYING" FARMERS DOES NOT HELP THEM

IT HAS been said so often in Canada that our farmers have been the chief sufferers from the excess of credit offered to them by private companies and government offices that it no longer attracts attention when the statement is made. Yet there is little recognition in government policies in Canada that the policy of buying farm votes by bonuses, credit schemes, etc., is undermining the basic self-reliance upon which farm success is erected. That is why sensible people will welcome the recent statement of Hon. T. L. Kennedy, Minister of Agriculture of Ontario. Addressing the Victoria County Council at Lindsay, he said:

> "I wonder if we have not done the farmer harm by loaning him money when he really didn't need it. He mortgaged his farm and secured government loans in order to play the stocks. I made a study of two counties and found in all cases where we made loans the money was used by the farmer for stocks, and now his farm is mortgaged and his stocks are worthless. But out of 1,120 loans made to farmers we put the farmers off only three farms last year. An inducement of credit to the farmer is a bad thing. Perhaps we have babied the farmers too much. We have paid them 25 per cent toward education, 40 per cent toward good roads, 5 per cent toward county roads, given them hydro, etc., and, as a matter of fact, we are the only province in Canada and the only country that does.
>
> "In the States they pay for all these things. We should try to make the farmer more self-reliant. I sometimes wonder if our system of grants is not all wrong. We spend $3,000,000 to help the farmers in Ontario, and I doubt if we have got very far toward solving his difficulties. That's why I want to co-operate with them, through you. We should get advice from the dirt farmer."

The Financial Post concluded last week a series of three articles that analyzed, so far as published details reveal, the dozen or so rural credit schemes that different Canadian governments have set up. The analysis made these points clear.

1. The schemes in some cases reduced interest rates for the few farmers who were able to take advantage of them.
2. Most of them ran short of funds and were able to meet only part of the demands made on them.
3. By driving out private capital they resulted in a large decrease in the total volume of credit available.
4. Political influence and mismanagement have piled up huge actual or potential losses to be borne generally by the taxpayers.
5. Credit was made available to farmers who needed less rather than more credit.

It would be well for all classes of government authorities in Canada to ponder deeply Col. Kennedy's wise words.

SHORT SELLING VS. MARKING UP

ACROSS the line a vigorous campaign against short selling in securities is in progress and the New York Stock Exchange had been forced into the adoption of a number of new regulations that will undoubtedly curb, temporarily at least, short selling. Whether in the long run investors will be better off through a reduction in the volume of short selling remains to be seen. Price declines, whether in stocks or commodities, always bring out criticism of speculative trading for the decline but very little evidence has been presented that short selling causes investors more harm than good.

More harm was done to the investors of this continent by the vicious marking up of security values in 1928 and 1929 than has ever been done by short selling. More harm has been done by the false upward starts in the markets since that time than has been done by all the short selling that has taken place since. Several of these false starts were definitely engineered in an attempt to get the public into the market to permit the unloading of securities by insiders who were stuck.

Predatory bear raiding is obviously wrong but all short selling is not bear raiding. Artificially induced booms, designed to help in the unloading process, are evils at least as great, yet the public worries little about them. The time will come when a large volume of short selling will prove the public's protection against artificially inflated price levels. Short selling fell down in 1929 not because there was too much of it but because there was too little.

EDITORIAL NOTES

On Lincoln's birthday, Republican papers across the line wrote editorials likening Hoover to Lincoln. Last Monday they likened him to Washington. March 17 will be along soon.

* * *

British music-lovers will doubtless be surprised to hear that Albert Hall is being moved to Toronto. Massey Music Hall needn't worry, however, because the Albert Hall in question is the new Canadian manager for Ocean Accident and Guarantee Insurance Co.

POST-scripts

JUST to be thoroughly trite for the moment let us say that these are tough days for business men. Evidence to that effect can be found on every hand. We feel due sympathy for the Jewish clothing manufacturer in Montreal who very expressively told of his plight the other day.

His problem is that if he sells to the big stores he is sure of getting his money but he makes no profit. If he sells to the smaller stores he makes a profit but never gets his money.

"It's like this," he says, "If we sell to the big stores we don't eat; if we sell to the little stores we don't sleep. Now, what in heck are we going to do?"

JOHN W. DAFOE, chief editor of the Winnipeg Free Press, is not as radical or serious as his editorials would lead one to believe.

He sees the humorous side of the depressing situation. He has just been on one of his ever-welcome visits to the East, for he brings with him much valuable economic information which he tempers with appropriate stories. One of these tells of a man—representative of a class—who flourishes in these times—the man who three years ago was a poor tramp. Now he is in a higher social scale—one of the unemployed.

Another story was a reflection on the high pressure salesmanship of the better days. A farmer in a Western town, whose credit was so bad that he was unable to buy his season's supply of bindery twine in his home town, went to the next town and bought on credit a combine.

IT WAS obvious that when Arthur Meighen began to sit on the red benches that the wit of the Senate would become more subtle, its irony more delicate and its philosophy more whimsical.

Now witnesseth:

Hon. Mr. CASGRAIN: May I draw the attention of the Senate to something that appeared this morning in that well-known paper The Montreal Gazette? You will see there in flamboyant type:

"The parley will be well attended."

That means the Imperial Conference.

"All parts of the Empire to have delegates at Ottawa. Colonies present for first time — two billion people represented."

They are not forgetting anybody. In the body of the article this number is reduced to only five hundred millions, but I have thought it well to give publicity to this matter so that the citizens of Ottawa might prepare to receive all these people.

Right Hon. Mr. MEIGHEN: The Gazette no doubt has in mind not only this generation, but posterity.

INTEREST in the Russian situation has moved more than one reader lately to consult the elaborate and admirable "Economic History of Russia" by the late Professor James Mavor of Toronto. It helps to provide a background for an understanding of current Russian phenomena, but the reader also comes across material useful in considering the general current economic situation of the world. In the course of a chapter on the factory system of Russia since the emancipation of the peasants, the commercial crisis of 1857 and 1873 are discussed. The former began in the United States in August, 1857, and "may be held to have arisen out of the inflation of credit due to the rapid opening up of the middle west and the hopes to which that gave rise, hopes too extravagant for immediate fulfillment." The hopes to which reference is made have of course long since been surpassed by the actualities of development, and the reader is tempted to a comparison with the inflation of credit in 1929 and immediately preceding years, based also on hopes too extravagant for immediate fulfillment. The crisis reached England in November, 1857, and on the 12th of that month the Bank Act was suspended. Although Russia was not immediately affected, "within a year Russia was in the throes of a commercial crisis, not to be dissassociated with the restriction of credit due to the crisis of the preceding year. Russian banks, and joint stock companies, industrial and commercial houses, suspended payment in large numbers."

Everyone knows that commercial crises and depressions have taken place in the past, and that recovery has subsequently occurred. In spite of that there is a tendency to consider the present situation unique, and especially because of the way in which the economic concerns of different countries are entangled. The record of 75 years ago shows that then depression in one country might be followed by grave results in other countries.

The crisis of 1873 is recorded as the Austro-German crisis, which began with a panic on the Vienna Bourse early in May of that year. Russian effects were made manifest when three large firms and many small firms became bankrupt at the great fair of Nijni-Novgorod in August that year. The crisis soon reached Odessa, where many merchants failed, and "money disappeared completely." The crisis of 1873 is spoken of as primarily a European crisis, although partly caused by the heavy drafts upon European credit caused by the building of railways in the United States; which cause "produced reactions in the United States from the financial disturbances on the European bourses."

The parallelism with the Austro-German crisis of last year, and its causes and effects in other countries is decidedly interesting. So also is the fact that recovery was "extraordinarily rapid."

Thrift In The Soo

There are 10,610 persons running savings accounts in Sault Ste. Marie out of a population of 23,480, according to the Sault Daily Star. This shows a slight increase during 1931. It is estimated that if accounts in the Penny Bank were included more than half the population of the city would be found to be carrying accounts.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

WAR DEBT CANCELLATION

AS MOST of the people who write on the subject of war debts have an axe to grind for one country or another, it is difficult to determine from most of the published material on the subject exactly what concessions have been made by the United States and other countries in regard to these debts. Great Britain was the first to make a refunding arrangement with the United States and she made it in a quixotic spirit of honesty and at a time when the world outlook was much better than it is at the present time. France and other countries came along later and were able to make much better terms. In fact, it is quite apparent that France played the rôle of beggar in order to get the best terms from Uncle Sam.

Walter Lippmann, whose regular editorial column in the New York Herald-Tribune, is one of the finest, best written, most independent editorial columns in the world today has been looking into the question of the war debts of Great Britain, France and Italy, who between them borrowed nine-tenths of all the money owing to the United States by the Allies. He sets down the facts.

Great Britain's borrowings were as follows:

Great Britain (000,000 omitted)	
Borrowed during war	$3,696
Borrowed after Armistice	581
	$4,277
Repaid before settlement	202
Net borrowings	$4,075

Great Britain agreed to pay 5 per cent per annum on this debt until it was repaid. The debt settlement arranged represented a cancellation of 30.1 per cent of the debt. On this basis Britain agreed to pay the major portion of her borrowings during the war and all of her borrowings after the war.

France's borrowings were as follows:

France (000,000 omitted)	
Borrowed during war	$1,970
Borrowed after Armistice	1,027
Allowed for U. S. war materials left in France	407
	$3,404
Repaid before settlement	64
Net borrowings	$3,341

Under the French settlement, which provided for the very low rate of interest, the amount of the cancellation is 60.3 per cent. On this basis all of France's pre-armistice borrowings, and a considerable amount of her post-armistice borrowings have been cancelled.

Italy borrowed from the United States as follows:

Italy (000,000 omitted)	
Borrowed during war	$1,051
Borrowed after Armistice	617
	$1,668
Repaid before settlement	20
Net borrowings	$1,648

The Italian settlement on this basis represented a cancellation of 80.2 per cent of the debt. In other words, all of her pre-armistice loans and a portion of the post-armistice loans have been cancelled.

* * *

MR. LIPPMANN works it out on other bases, assuming in one case that 5 per cent was an improper rate of interest and that 4½ per cent only should have been charged as this was the rate the United States paid for the funds it borrowed, and in another case that 3 per cent was a fair rate in that this was the rate the United States expected to pay for its borrowings during the term of the arrangement made. On these basis, the extent of cancellation was of course much less, but the comparative position of the three different countries is well shown by the above summary.

Figuring the 3 per cent rate as proper, Britain will pay 4.4 per cent more than her total borrowings. France will pay 65 per cent of her total borrowings and Italy will pay 63.6 per cent of her total borrowings. In each case, the total borrowings means not only the amount actually borrowed, but the interest that the nation contracted to pay.

Warburg's Advice on Investments

Paul M. Warburg, international banker and one of the founders of the Federal Reserve system, who died in his New York home on January 24, left all of his estate to his wife in trust under the terms of his will.

Mr. Warburg's will goes into considerable detail on the manner in which his estate shall be handled. He authorizes his executors and trustees to sell, change and vary investments, as follows:

"(1) In any manner in which savings banks or trustees may at the time lawfully invest any of their funds.

"(2) In bonds secured by first mortgages on improved real estate in New York City, provided, however, that no such investment shall exceed an amount equivalent to 5 per cent of the estate then undistributed.

"(3) In bonds, notes and stock of the United States or of the several states or cities in the United States having a population of more than 100,000 which have not defaulted in the payment of principal or interest in their stocks and bonds within ten years immediately preceding the investment, provided, however, that this new investment does not exceed 5 per cent of the estate then undistributed.

"(4) In bonds and notes of foreign governments or cities, provided the investment does not exceed 5 per cent of the estate then undistributed, and that the aggregate of all investments in bonds or notes of such governments or cities shall not exceed 25 per cent of the undistributed estate.

"(5) In the preferred stock of any railroad company in the United States or Canada that shall have paid full dividends on its preferred stocks for a continuous period of ten years prior to the time the investment is made. No more than 5 per cent of the undistributed estate shall be used for this purpose, however.

"(6) In any other bonds or other obligations, secured or unsecured, of any corporation, public or private, or in any preferred or common stocks of any corporation, although not of the classes previously described, providing they shall not exceed in the aggregate 20 per cent of the estate then remaining undistributed."

These specifications, however, do not preclude the executors and trustees from using full discretion in holding as long as they think proper any investment as it existed at the time of Mr. Warburg's death.

Other People's Views

What Social Service Costs

Nation's Business, Washington.—The Manchester Guardian Weekly for December 4 quoted from a recent British government document these figures of the annual cost of "public social service in England, Wales and Scotland."

Unemployment Insurance	£53,296,000
Health Insurance	38,570,000
Widows', Orphans', and Old-age Contributory Pensions	27,816,000
Old-age Pensions	37,290,000
War Pensions Acts and the Ministry of Pensions Act	52,658,000
Education	108,528,563
Reformatory and Industrial Schools	698,565
Hospitals and Treatment of Disease	8,757,000
Maternity and Child Welfare	2,661,000
Housing	35,598,000
Relief of the Poor	46,329,904
Unemployed Workmen Act	44,000
Lunacy and Mental Deficiency	5,271,000

That's a total of more than £400,000,000 for a population of 44,000,000.

Having let these figures soak in, turn over the page of the same periodical and read:

The chief middle class preoccupation just now is how to raise the money to pay three-quarters of next year's income tax at the new rate of January 1.

No wonder the British middle class is having trouble raising its income tax when it must pay that bill for "social service." How many of our patriots who would plunge us into this sort of extravagance have counted the cost?

No Beckism Wanted

New York Sun.—New York does not want public ownership; it does not want hydro-electric control at Albany; it has no notion of building up a new political machine of Beckian power and proportion. It is not necessary to give the Power Authority the club it is asking for. If it cannot make favorable terms with existing utilities for distribution of power it certainly ought not to ask the State to go into a ruinous business which it cannot economically manage. Permissive municipal ownership this year would mean general political management within a few years; the municipalities which went into the business would soon be counting on the state to finance them and to take care of their bonds.

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Montreal Vancouver Victoria New York London, Eng.

As Others See Us

Public Relief Works

Saskatoon Star-Phoenix: Neither construction work nor direct relief can be continued permanently. At best they tide the country over for a year or two and should have given the government and industry time to evolve a real solution for the unemployment problem. If the administration at Ottawa and industry in general is not ready to approach that question with something more than temporary expedients then both have failed in the most important duty before them. So far as the public is aware the real question has not even been considered. Certainly it is time it received the full attention of the government.

There is, too, another point which The Financial Post does not note. It is that the people of Canada voted for a government which promised public works on a large scale, and if the scale on which they have been carried out is not as large as the promises which were made, The Financial Post, in view of its present clamor, should be thankful instead of critical.

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GILLETT'S LYE

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Quality Products of
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A Canadian corporation operating Canada's largest fresh food delivery system
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Fleischmann's Bakery Products • Fleischmann's Yeast for Health
Magic Baking Powder • Gillett's Lye • Royal Yeast Cakes
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$
$
$
naturelle
natural flavour
SHREDDED WHEAT
SHREDDED WHEAT
AYLMER
AYLMER
La Qualité prime tout

FRENCH . . . ENGLISH
Two separate buying groups in Quebec

Experienced sales executives know that at least two papers—one French and one English—are essential to cover the Quebec market.

QUEBEC DOLLARS
are *Bi-Lingual*

RETAIL advertisers—who *must* make their advertising pay—use at least two newspapers to cover the buying power of Quebec City. National advertisers, who know the Quebec market, wisely follow their example. They employ one or more of the French papers to reach the strictly French-speaking group, and the Chronicle-Telegraph to reach the influential purchasers of both French and English origin.

Leading business and professional men, industrialists and merchants, and their families, read the Chronicle-Telegraph, no matter what the language of their birth—because this paper is the newspaper of new Quebec upon which these people rely to keep them up to the moment in the political, social and business affairs of the world.

The Chronicle-Telegraph is the only English daily in Quebec; but even were there another, the reader-strength of the Chronicle-Telegraph among the great group of buyers of goods would make this the imperative medium for national as well as local advertising.

In choosing two papers in Quebec for your advertising, make one of them the Chronicle-Telegraph.

QUEBEC'S WEALTH—Bank debits of Quebec City and income-tax returns from the District of Quebec are equal to those of the entire Maritime Provinces combined.

Chronicle-Telegraph
QUEBEC CITY

For advertising rates in the Newspaper of New Quebec address E. G. Smith, General Manager, Quebec, P.Q.

Business Conditions in Canada

The Week in Business

Bankers Have Pre-view of "Miss Prosperity"

$300,000,000 Bond Buying by Canadians Key Factor

May Herald Business Revival Via Business Cycle Route

IF YOU want to get a pre-view of that long-awaited damsel "Miss Prosperity" go down and talk to one of the investment bankers who have handled recent national flotations of the bonds of federal, provincial and municipal issues in Canada.

While industry has been worrying about lower profits, still lower prices and troubled prospects for 1932, the common people, the bankers say, have been taking a first and fundamental step toward recovery by oversubscribing time and time again the bond offerings of our governments and municipalities and in this way laying the ground for strength and recovery in our bond and security markets.

* * *

THE record of accomplishment dates back, of course, to the flotation of the National Service Loan in November, 1931, when the government asked for $150,000,000 and got no less than $215,000,000. Since that time, New Brunswick, Montreal, Ontario and Prince Edward Island and British Columbia have all made successful flotations, the total amount asked for by all these borrowers being approximately $200,000,000. On paper these issues have been over-subscribed by something like $125,000,000 which speaks eloquently for the organizations which have co-operated in mobilizing in this way the savings of Canadian investors. And the fact that the great bulk of this money has actually been subscribed by small investors rather than by institutions is perhaps one of the most important features of the whole situation.

And while this has been going on in Canada, similar signs of returning confidence are being noted in Great Britain and the United States. So far the United States has been laboring heavily to pave the way for the very thing that has been accomplished in Canada, namely the putting of people's savings into necessary and productive uses, and the fact that the United States government (now that it has cleared the financial air with its important deflationary measures) will shortly float a federal bond issue in $50 denominations, indicates that a similar expression of returning confidence in the investment market, may soon be experienced in that country.

* * *

THIS brings us face to face with the good old-fashioned theory of the business cycle which has been relegated to a back shelf in the economic scheme of things in the past 18 months when most economic theories seem to have been operating in inverse ratio to the actual facts. According to this theory a revival of business will first be heralded by strength in the bond markets which will in turn be reflected in stronger security prices and which will eventually manifest itself in increased industrial and manufacturing activity.

Perhaps the thing won't be quite as simple as this and there will doubtless be numerous setbacks to still disturb our faith in these fundamental economic principles, but the fact remains that right now it's the investment banker who is beginning to think he has the "low down" on Miss Prosperity.

CREDIT REPORTS NOT UNFAVORABLE IN ONTARIO CITIES

U.S. Consuls Give Views on Conditions in Four Areas

Favorable reports from several Ontario cities as far as credits and collections are concerned, are indicated by an analysis covering Hamilton, London, Ottawa, Fort William and Port Arthur made by United States consuls in these cities and published last week in "Commerce Reports."

The reports give a concise and intimate picture of commercial conditions in these centres. They are as follows:

Hamilton.—During 1931 there was ample credit available for legitimate industrial and commercial concerns. Wholesalers in general demanded little credit from sellers, preferring to obtain the discounts on payments. Losses on collections were variously stated, from 10 to 20 per cent. Collections were steady and fairly good, owing to the frequent checking up of outstanding accounts, thus limiting the requests for time extensions. Though relatively few bankruptcies of importance occurred in the Hamilton district, there was a large number of small retail failures, owing to indiscriminate selling on credit and the inability of the retailers to collect from their customers.

London. — Collections throughout southwestern Ontario are very slow —especially in the rural districts where many renewals are necessary. Local business houses are reported to be fairly successful, as a rule, in collecting their drafts on city customers. Wholesale concerns report their country collections as very slow. Retail clothing dealers, especially, are finding it difficult to meet their obligations. Absence of cold weather has left most of them with considerable stocks of rubber footwear and heavy clothing on hand which, as yet, they are unable to dispose of, although much of such merchandise is apparently being sold at cost or less.

Local retailers of fuel—practically all of whom import directly from the United States—are suffering from lack of business, owing to mild weather. Nevertheless, as a group, they are reported to be in sound financial condition, with little trouble in collecting their accounts over which close supervision is being exercised. The distinctly unfavorable situation existing in western Canada has also been detrimental to manufacturers and jobbers of the London district. Lack of business from that section of the country has also proven a hardship to manufacturers of agricultural implements and threshing machinery.

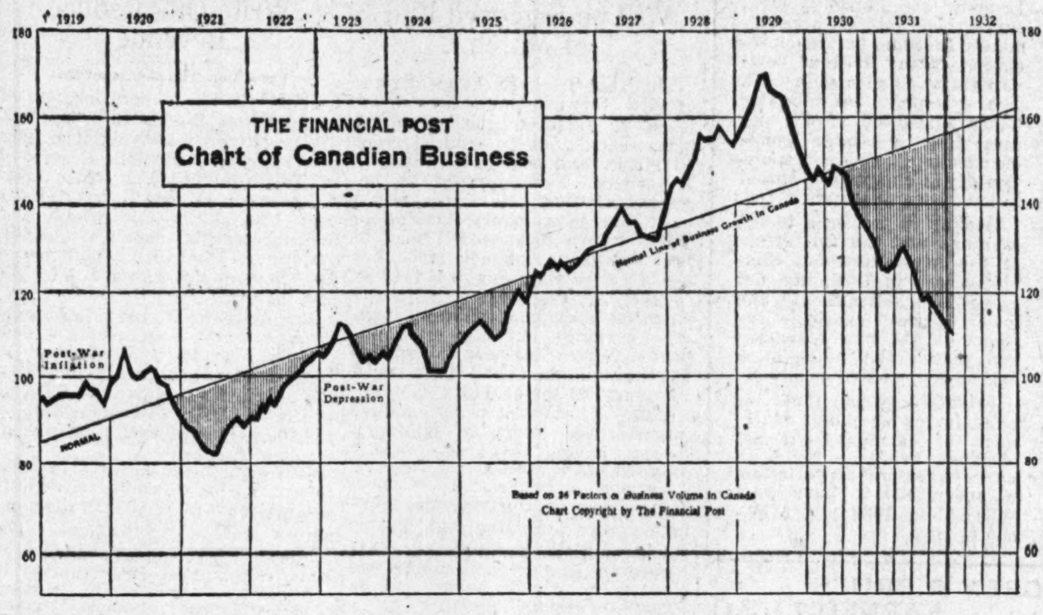
Ottawa.—Credits and collections in Ottawa are regarded locally as satisfactory, because Ottawa is almost entirely devoted to Government activities and most of its inhabitants have not been affected by the current depression. Moderate credits are being granted and collections, for the most part, are not described as slow.

Fort William and Port Arthur.—Loans are being restricted by local financial institutions to industrial firms, mercantile establishments and private individuals of only the most stable and sound financial standing, to the least possible extent, and then only on short terms—usually three months' time; 7 to 8 per cent is charged on prime commercial paper. Collections by banks are reported to be slow, but wholesale and retail houses report collections to be slightly better than during the latter part of 1931, owing to some increased employment—especially on extensive road construction work and a few minor municipal improvements. However, considerable amelioration remains to be desired as compared with the period prior to 1929.

Honey Production Proves Profitable

During the last five years, a total of $540,760 worth of honey has been produced in Saskatchewan, according to R. M. Pugh, provincial apiarist in the Department of Agriculture. This means that the bees have paid for themselves, for development work and for equipment as well as returning their owners a hundred per cent on their investment, Mr. Pugh pointed out.

Business Decline Less Severe in January



The reactionary tendencies of the latter part of 1931 were carried over into the first month of the present year, The Financial Post business index showing a moderate recession to a new low point in recent years. The index was 110.2 compared with 111.9 in the preceding month, eleven components after seasonal adjustment showing gains, while fifteen dropped below the level of December.

Losses Exceed Gains In January Business

The Financial Post Index of Physical Volume of Canadian Business Shows Small Decline

By SYDNEY B. SMITH

The hesitancy of Canadian business continued in the first month of the year, the normal improvement for the season being conspicuous by its absence. While the computation of The Financial Post index of the physical volume of business in Canada, uncovered a fair number of gains over December after seasonal adjustment, the increases were mostly of a moderate character which were counterbalanced by a more numerous list of declines. The Post index, comprising 26 factors, with the average from 1919 to 1924 equalling 100, was 110.2 in January compared with 111.9 in the preceding month.

While the further drop in January was moderate, a new low point on the present movement was established at about ten per cent above the monthly average for the base period. The high point in Canadian industrial history was reached in May, 1929, when the index stood at 172.2. In the intervening 32 months the drop in the index was 62 points or 36 per cent. It is obvious that the magnitude of the decline has been without parallel in the history of the Dominion, while the severity of it was explained in large measure by the rapidity of the expansion from midsummer 1921 until the zenith of super-activity was reached in the early months of 1929.

Big Gain Since 1921

The lowest point in post-war history was reached in July, 1921, when the index was 83.4. During the long cycle of industrial expansion from 1921 to 1929 the only setback of importance was the minor depression of 1924. Owing to the concerted influence of cyclical and secular expansion, the gain in the index during the nine-year period was from 83.4 to 172.2 or no less than 106.5 per cent. That period of material prosperity was characterized by the rapid expansion in plant and equipment in most Canadian industries.

The present level of operations consequently implies the idleness of extensive plant and personnel. Having regard to the conditions of over-capacity we have severe depression despite the fact that the business index is slightly above that of August, 1915, and is still more than 32 per cent higher than in July, 1921.

Eleven Factors Gain

Reverting to the comparison between January and the preceding month, it is found that of the 26 factors entering into the computation of the index, eleven after seasonal adjustment, show a gain. Of the total factors comprising the index, seven are used to show the trend of mineral production and of these copper, nickel, silver and zinc were shipped in greater volume than in December. Gold, of which the production was especially great in December, showed a decline in January, the receipts at the Mint and exports in the month under review being about 221,500 ounces compared with 264,800 in December. Asbestos and coal were produced in lesser volume in January, the output of coal showing a drop of about 1 per cent after seasonal adjustment.

The sub-index of mineral production was nearly maintained in January at the moderate level of the preceding month.

Eleven Manufacturing Factors

Eleven factors indicating the trend of general manufactures are used in the computation of the general index and after the usual adjustment for seasonal tendencies, six of these showed gains in January. The output of newsprint was 171,321 tons compared with 165,173 tons in the preceding months. Production in January is normally greater than in December, while in this case the actual gain was greater than seasonal expectations. The export of boards and planks was less than in any month of 1931, showing moderate decline below the level of December. Steel production after seasonal adjustment showed a gain of more than 15 per cent., while the output of motor cars reflected the tardy resumption of operations of a number of producers.

Imports of crude petroleum were 72,700,000 gallons, representing a considerable gain over December even after seasonal adjustment. Imports of crude rubber were less than in December and imports of raw cotton and wool showed declines. Inspected hog slaughterings numbered 263,785 head compared with 247,250 in December and cattle slaughterings showed a gain after seasonal adjustment. Declines were indicated in flour and sugar production.

The sub-index of manufacturing production showed a decline of slightly more than a point from December.

Construction at Low Ebb

Construction operations, aside from relief work were at a low level in January although the amount of contract awards showed a gain over the preceding month, January being normally the poorest month of the year in this regard. The report of building permits was a disappointing omen for the present season.

After seasonal adjustment export trade was greater in January, while imports showed a decline, the consequent tendency being toward a greater trade balance in favor of the Dominion. The decline in the staff engaged in wholesale and retail trade was moderately greater than normal for the season. Carloadings in January numbered 165,831 compared with 185,018 in December, a decline of about 2 per cent after seasonal adjustment. The decline in bank debits with usual adjustment was five per cent and industrial employment showed moderate recession although the normal increase for the month would be about one point.

Financial Factors Reactionary

The moderate decline in business operations occurred with a background of reactionary financial factors. Wholesale prices declined slightly to a new low level and bond prices were somewhat lower. While common stock prices averaged about the same as in December, the result was attained through the support of minimum price regulations.

Recovery awaits the restoration of international confidence which may eventually be brought about by such developments as the rise in grain prices, the enactment of the Steagall-Glass bank bill by the American Congress and the reduction in the market rate of discount by the Bank of England.

Dairy Industry Made Record

Final statistics of the dairy factory industry of Canada in 1930 show the production of creamery butter in that year to have been 185,751,061 pounds, which constitutes the largest output recorded so far by the Dominion, and exceeds the previous high year—1926 —by over eight million pounds. The production of farm butter in 1930 is estimated at 84,337,000 pounds, bringing the total butter production of Canada for the year to 270,088,061 pounds.

Butter Output Now Estimated Up 22 Per Cent

With two provinces yet to hear from, butter production in Canada for 1931 shows an increase of 22.3 per cent as compared with a year ago according to figures prepared by the dairy branch at Ottawa.

Production in the seven provinces exclusive of Quebec and British Columbia, was 27,041,742 pounds greater during 1931 than during 1930. This increase is equivalent to 22.3 per cent.

If Quebec and British Columbia from which reports of production during 1931 have not yet been received show the same percentage of increase in creamery butter production over 1930 as the seven provinces from which reports have already been received, total production of creamery butter in Canada during 1931 will have been 227,173,547 pounds, an increase of 41,422,486 pounds.

Saskatchewan shows the greatest percentage increase of all the provinces as the following analysis indicates:

Creamery Production in Canada

	1930 lbs.	1931 lbs.	Inc. %
P. E. I.	1,746,099	2,062,252	18.1
Nova Scotia	4,733,579	5,896,270	24.5
New Brunswick	2,059,675	2,415,992	17.2
Quebec	60,746,665	*	...
Ontario	64,898,291	75,000,000	15.5
Manitoba	15,786,896	21,078,073	33.5
Saskatchewan	13,920,561	18,800,000	35.0
Alberta	17,716,744	22,650,000	27.8
Br. Columbia	4,142,551	*	...

*Reports not yet received.

Business Briefs

Radio licenses issued in Canada for 1931-32 fiscal year to January 31 numbered 571,898 as compared with 523,100 for entire previous year. Ontario with 273,218 showed increase of nearly 13,000, Quebec with 121,650 gained 27,650, while B. C. with 53,917 gained 10,300.

Car Loadings at 41,010 cars for week ended Feb. 13 showed an increase of 970 cars over previous week. This being more than normal seasonal rise, the O. B. S. index went up from 70.17 to 71.12. Merchandise l. c l. showed a slight gain, the index rising from 86.92 to 87.47, which, however, was below index numbers for previous weeks this year.

Automobile financing in January totalled $1,431,343 on 4,012 vehicles, a decrease in value of 34.8 per cent below January, 1931, and 20.4 per cent in number. New cars and trucks were financed to the value of $629,714, numbering 1,066; used cars to the value of $801,629, numbering 2,946.

Wheat stocks as at Feb. 12 totalled 191,112,698 bus., over 2½ million below the previous week's holdings. Overseas shipments were approximately the same as previous week but were 47 per cent below corresponding week last year, entire difference being due to curtailed exports from Saint John and U. S. Atlantic ports. Latter dropped from 1,963,000 bus. to 467,000 bus.

Total imports into Canada for January were valued at $34,124,061 at which they were 33¼ per cent below those for same month 1931. Exports totalled $38,366,699, or 14 per cent under the 1931 figure. Cumulative figures for first 10 months of fiscal year are: Imports, $485,479,167; exports $780,237,733. Declines are 37.8 and 28.6 per cent respectively.

Advantages of appointing a corporate executor and trustee

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Hume Cronyn, *President.* H. E. Gates, *Vice-Pres.*
M. Aylsworth, *General Manager.*

BUILDING IN 1931 DECLINED 33 P.C.

Permit Value Emphasized By Reduced Cost of Materials

Figures representing the value of building permits are always subject to the fluctuations of the cost of materials and labor, and the reduced building activity during 1931 has been accentuated by this factor.

Thus, the decline of over $54,000,000 shown in permits issued by 61 cities during 1931 by which the total dropped to $112,222,845 has to be considered in conjunction with a decline of 9 per cent in materials, which were the lowest in twelve years, according to the index number computed by the Dominion Bureau of Statistics at 82.6 (1926 being 100). Building labor costs were about 3½ per cent below the 1930 average, though higher than in any year previous to 1928.

Decline by Provinces

The largest decline in the value of permits was experienced by Saskatchewan where the figure was 60.3 per cent under that of 1930. Alberta was down 50 per cent and Manitoba 35 per cent. Ontario dropped 35.7 per cent, New Brunswick 41.2 per cent, British Columbia 33.3 per cent and Quebec 18.6 per cent.

The aggregate for all Canada was 32.6 per cent below 1930 and 28.6 per cent under the average for the preceding eleven years.

January, 1932, foreshadows still lower figures for the present year, the total of $2,761,929 being but [illegible] per cent of that for January, 1930. It should be stated however, that [illegible] had one of the best Januarys on record. The index of permit values was nevertheless only 58.5 per cent of the 1926 average—lower than any January since 1921.

Comparative monthly figures are shown in the following table:

BUILDING PERMITS ISSUED
By 61 Canadian Cities
(000's omitted)

	1932 $	1931 $	1930 $
January	2,761	8,401	[illegible]
February	....	5,930	[illegible]
March	....	9,907	[illegible]
April	....	13,786	16,270
May	....	11,868	19,621
June	....	8,471	[illegible]
July	....	10,880	15,731
August	....	8,224	14,813
September	....	10,322	11,061
October	....	8,713	12,754
November	....	7,093	[illegible]
December	....	7,397	[illegible]
Total	....	112,223	[illegible]

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Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest		Cumulative Jan. 1 to date	
Transportation—	1932	1931	1932	1931
Car Loadings (Feb. 13)	41,010	46,956	240,752	269,138
C.P.R. gross earn. (Feb. 14)	$ 2,072,000	$ 2,617,000	$ 13,196,000	$ 16,961,000
C.N.R. gross earn. (Feb. 14)	$ 2,657,691	$ 3,303,797	$ 16,200,821	$ 20,297,781
	Monthly			
	1931	1930	1931	1930
C.P.R. net earn. (Dec.)	$ 3,676,607	$ 4,203,713	$ 27,763,899	$ 38,687,673
C.N.R. net earn. (Dec.)	$ 93,700	$ 732,875	$ 7,585,700	$ 26,510,938
Iron and Steel—				
Pig iron. tons (Jan. '32)	10,305	35,592	......	......
Steel, tons (Jan. '32)	25,060	57,598	......	......
Automobiles prod. No. (Dec.)	2,432	5,622	82,614	154,192
" exports, No. (Dec.)	390	5,317	20,509	46,970
Construction—				
Building Permits (Jan. '32)	$ 2,761,929	$ 8,401,456	....	....
Contracts (Jan. '32)	$ 12,738,300	$ 20,299,100	....	....
Newsprint—				
Production, tons (Jan. '32)	171,321	183,073	....	....
Exports, tons (Jan. '32)	172,913	153,362	....	....
Sugar—				
Imports, raw, lbs. (Dec.)	46,338,100	42,954,000	798,359,500	812,654,100
Manufactured, lbs.*	61,612,767	67,077,137	982,132,339	943,895,209
Flour—				
Production, bbls. (Nov.)	1,175,152	1,789,375	15,498,215	15,419,320
Wheat, bbls. (Nov.)	476,487	792,271	5,245,914	9,328,660
Other Industrial Indices—				
Lumbering: Plank & board exports mill. ft. (Jan. '32)	53.84	57.11	....	....
Boots & Shoes pr. (Nov.)	1,254,696	1,124,798	16,544,082	16,023,190
Petroleum, imp. crude, gal. (Dec.)	61,840,000	69,390,000	1,017,389,333	1,011,783,131
Cotton, imp., raw, lbs. (Dec.)	12,224,000	12,343,000	95,597,602	100,483,000
Rubber, raw, imp., lbs. (Dec.)	5,493,000	3,016,000	56,582,470	64,491,499
Coal, imports, tons (Dec.)	1,025,187	1,223,032	13,531,831	17,619,974
Trade—				
Imports (Jan. '32)	$ 34,114,507	$ 50,368,318	......	......
Exports (Jan. '32)	$ 38,366,699	$ 44,617,883	......	......
Wheat exports, bus. (Dec.)	22,355,975	22,230,397	194,869,713	207,761,067
Labor—				
Employment Index (Jan. '32)	91.6	101.7	....	....
Electric Power—Output—				
M. Kilowatt hours (Dec.)	1,432,182	1,542,308	16,383,398	17,862,729
Finance—				
Failures, No. (Dec.)	196	239	2,216	2,402
Failures, Liabilities (Dec.)	$ 2,957,235	$ 4,202,599	$ 52,552,900	$ 48,164,065
Bank Debits (Dec.)†	$ 2,638,122	$ 3,012,223	$ 81,586,468	$ 37,491,302
Bond sales (Jan. '32)	$ 20,658,111	$ 103,167,603	....	....
Insurance Sales (Jan. '32)	$ 37,331,000	$ 41,188,000	....	....
Automobile Financing:				
Used Cars (Jan. '32)	$ 801,629	$ 1,287,404	....	....
New Cars (Jan. '32)	$ 629,714	$ 909,514	....	....

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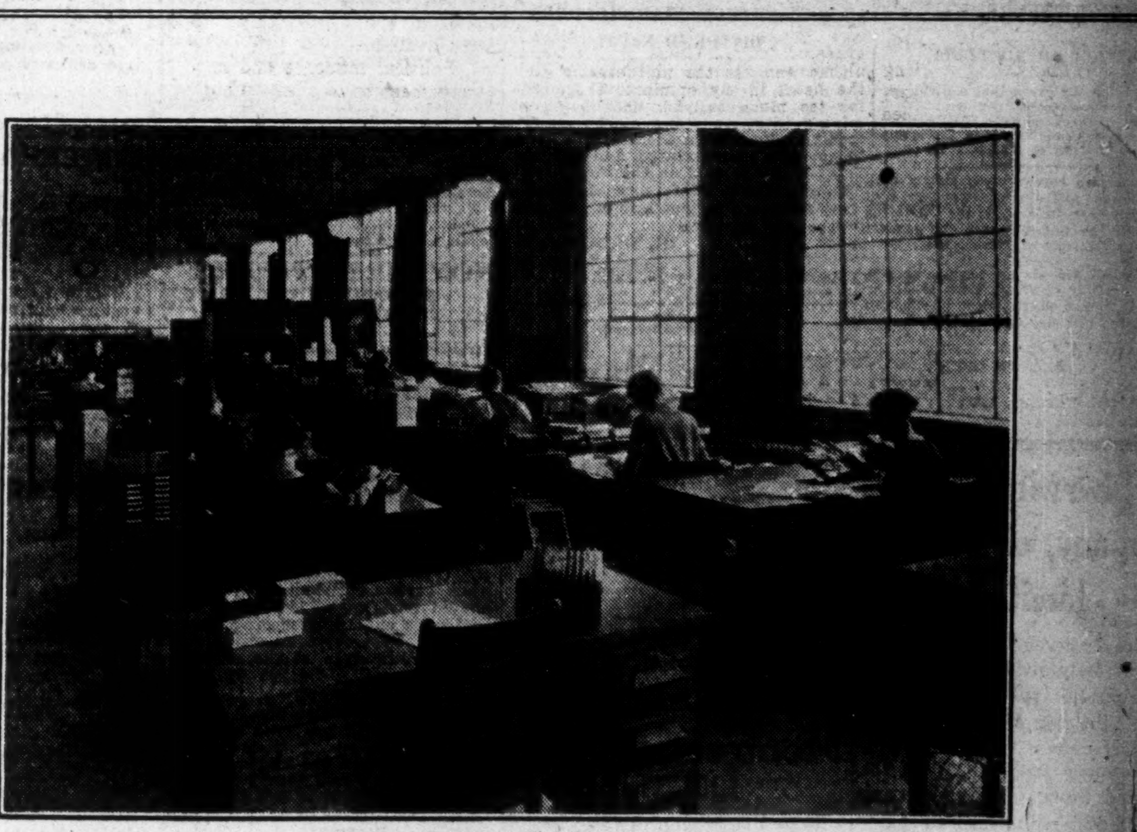
*Four weeks' period Dec. 12 to Dec. 31.
†(000's omitted).



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DIVIDEND NOTICES

e Canadian Bank of Commerce

Dividend No. 180

e is hereby given that a dividend of per cent on the paid-up capital stock Bank has been declared for the ending 29th February, 1932, and same will be payable at the Bank Branches on and after Tuesday, arch next, to shareholders of record the close of business on the 30th day of uary, 1932. The Transfer Books will be closed.

By Order of the Board,
S. H. LOGAN,
General Manager.
Toronto, 22nd January, 1932.

SISCOE GOLD MINES LIMITED

DIVIDEND NOTICE

NOTICE is hereby given than an interim dividend of four (4c) cents per share on the issued Capital Stock of the Company has been declared, payable March 31, 1932, to shareholders of record at the close of business March 21, 1932. Stock Transfer Books of the Company will be closed from March 22 to March 30 inclusive.

By Order of the Board,
H. E. GREEN,
Secretary-Treasurer.
Montreal, February 9th, 1932.

THE ONTARIO LOAN AND DEBENTURE COMPANY

179TH DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of 3 per cent. for the current Quarter ending 31st March, 1932, (being at the rate of 12 per cent per annum) has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 1st April, 1932, to Shareholders of record of the 15th March, 1932.

BY ORDER of the Board.
T. H. Main, Manager.
London, Ontario, 23rd February, 1932.

RELIANCE GRAIN COMPANY LIMITED

PREFERENCE DIVIDEND No. 17

NOTICE is hereby given that a dividend for the quarter ending February 29th, 1932, at the rate of 6½% per annum, will be paid on March 15th, 1932, to preference shareholders of record at the close of business on February 29th, 1932.

By order of the Board,
A. W. GIBB,
Secretary.
Winnipeg, January 22nd, 1932.

P.T. LEGARÉ CO. LIMITED

DIVIDEND NOTICE

The regular 1¾% quarterly dividend on the 7% Preferred Stock of this Company has been declared for the quarter ending February 29th, 1932, payable on the 1st day of March, 1932, to shareholders of record at the close of business the 15th day of February, 1932.

By order of the Board.
P. C. FALARDEAU,
Secretary-Treasurer.
Quebec, February 13th, 1932.

DOMINION GLASS COMPANY LIMITED

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of March, 1932.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of March, 1932.

The above Dividends are payable on Friday, the 1st day of April, 1932, to Shareholders of record at the close of business Tuesday, the 15th day of March, 1932.

By Order of the Board.
MERVYN OFFER
Secretary.
Montreal, 18th February, 1932.

The Sherwin-Williams Company, of Canada, Limited

Notice is hereby given that the 83rd quarterly dividend of one and three-quarters per cent (1¾%) being at the rate of seven per cent (7%) per annum for quarter ending February 29th, 1932, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of March, 1932, and that cheques will be mailed March 31st, 1932.

Books not closed.

By Order of the Board.
D. A. WHITTAKER,
Vice-Pres. & Sec'y-Treas.
Montreal, Que.,
February 20th, 1932.

Imperial Tobacco Company of Canada, Limited

—Dividend—

Notice is hereby given that the Directors recommend to the Shareholders that a Final Dividend (No. 96) of Three and One-half per cent (3½%) on the paid up Ordinary Shares of the Company for the year ended December 31st, 1931, be declared at the Ordinary General Meeting of Shareholders to be held on Monday, the 14th day of March, 1932, payable on the 31st day of March, to Shareholders of record at the close of business on Wednesday, the 2nd day of March, 1932.

That an Interim Dividend (No. 97) of One and Three-quarters per cent (1¾%) on the paid-up Ordinary Shares of the Company has been declared, payable on the 31st day of March, 1932, to Shareholders of record at the close of business on Wednesday, the 2nd day of March, 1932.

That a Semi-Annual Dividend (No. 40) of Three per cent (3%) Sterling on the paid up Preference Shares of the Company has been declared, payable on the 31st day of March, 1932, to Shareholders of record at the close of business on Wednesday, the 2nd day of March, 1932.

By Order of the Board,
F. P. L. LANE,
Secretary.
Montreal, P.Q.,
[illegible]th February, 1932.

NOTICES

BUSINESS OPPORTUNITY WANTED

Young man with first class business experience and training with distinct capability for organization work wishes to become connected with a manufacturing, construction, or other form of commercial organization, with ultimate object of becoming financially interested. Communications will be considered strictly confidential. Very highest of references as to character available. Reply to Box 307, The Financial Post, Toronto.

MONTREAL TRAMWAYS COMPANY

ANNUAL GENERAL MEETING

Notice is hereby given that in accordance with the By-laws of the Company, the Annual General Meeting of the Shareholders of the MONTREAL TRAMWAYS COMPANY will be held at the Company's Offices, Tramways Building, 159 Craig Street West, Montreal, at 12 o'clock noon, on Thursday, the 31st day of March, 1932.

This meeting will be convened as called and immediately adjourned until Monday, the 25th April, 1932, at the same time and place.

By order of the Board.
PATRICK DUBEE,
Secretary-Treasurer.
Monday, February 15th, 1932.

Imperial Tobacco Company of Canada, Limited

Notice to Shareholders

Notice is hereby given that the Ordinary General Meeting of the Shareholders of Imperial Tobacco Company of Canada, Limited, will be held at the Company's Offices, No. 3810 St. Antoine Street, Montreal, on Monday, the Fourteenth day of March, 1932, at eleven o'clock in the forenoon.

The Shareholders are given further notice that the said General Meeting will be special for the purpose of considering and, if thought fit, confirming certain amendments to the Company's By-Laws made by the Directors on the Eighteenth day of November, 1931, to the following effect:—

1. To repeal and re-enact in modified form the second paragraph of By-law 22 to authorize the signature of the President, a Vice-President, or a Director, and the Secretary or an Assistant-Secretary to be engraved or lithographed upon Share Certificates and to dispense with affixing the Company's Seal to Share Certificates.
2. To repeal By-Laws 27 and 29 and re-enact in modified form By-law 27 to provide that every transfer of a share shall be made in the share transfer book and shall be signed by the Transferor or his attorney duly appointed or alternatively such transfer may be made by instrument of transfer in the common form.

The Register of Transfers will be closed from March 3rd to March 14th, 1932, both days inclusive.

DATED at Montreal, this 19th day of February, 1932.

By Order of the Board,
F. P. L. LANE,
Secretary.

DIVIDEND NOTICES

CANADA CEMENT COMPANY LIMITED

PREFERENCE SHAREHOLDERS

DIVIDEND No. 17

Notice is hereby given that a dividend of 1⅝% for the three months ending February 29, 1932, being at the rate of 6½% per annum on the paid up Preference Stock of this Company has been declared, and that the same will be paid on the 31st day of March next to Preference Shareholders of record at the close of business February 29, 1932.

H. L. DOBLE,
Secretary.
Montreal, February 16, 1932.

Notice of Dividend

Famous Players Canadian Corporation LIMITED

NOTICE is hereby given that a dividend of Fifty Cents (50c) per share for the quarter ending the 1st day of March, 1932, has been declared on the issued shares of the Company without nominal or par value, payable on the 26th day of March, 1932, to shareholders of record on Friday, the 4th day of March, 1932.

By order of the Board.
THOS. J. BRAGG,
Secretary-Treasurer.
Dated at Toronto this 18th day of February, 1932.

Montreal Cottons LIMITED

NOTICE IS HEREBY GIVEN THAT A QUARTERLY DIVIDEND OF ONE AND THREE QUARTERS per cent (1¾%), being at the rate of Seven per cent (7%) per annum, has been declared upon the Preferred Stock of the Company, also a Dividend of One and one-half per cent (1½%), being at the rate of Six per cent (6%) per annum, has been declared on the Common Stock and payable to all shareholders on record February 29th, 1932, and that cheques will be mailed to them on the 15th day of March, 1932.

BY ORDER OF THE BOARD,
HUGH A. WILSON,
Secretary-Treasurer.

N. B. Telephone Reports Higher Net for Last Year

From Our Own Correspondent

MONTREAL. — Lower gross earnings of New Brunswick Telephone Co. in 1931 were offset by decreased operating expenses, and net earnings at $400,261 showed an increase of $16,852 over the previous year. Preliminary figures, however, indicate an increase of $66,413 in interest, depreciation and tax charges; until final figures are available common share earnings cannot be estimated.

Value of plant and real estate increased by $514,949 to $6,671,144 but it was pointed out at the annual meeting of shareholders that no heavy expenditures for 1932 were contemplated.

Montreal Power Loses Appeal to Privy Council

From Our Own Correspondent

MONTREAL.—Appeal of Montreal Light, Heat and Power Consold. from a judgment of King's Bench of Quebec in a dispute over taxes with the City of Outremont, has been dismissed by the Privy Council. The city sought taxes of $5,600 on the company's gas mains, wires, conduits and poles inside the municipality. The tax claim was based on a decision of the Supreme Court of Canada in a similar action instituted by the City of Westmount.

LONDON & WEST HAD GOOD YEAR; PROFITS HIGHER

Trust Company Improves Upon Position of a Year Ago

Net profits of The London and Western Trusts Co. for year ended December 31, 1931, after all expenses and income tax, amounted to $108,372 as against $81,206 for the previous year. This gives a rate of 9.2 per cent on the average paid-up capital during the year compared with 7 per cent in 1930. The improved earnings are attributed to careful supervision of the company's expenditures.

Three quarterly dividends were paid at the old rate of 9 per cent, the fourth on the basis of 7 per cent per annum. After these, amounting in all to $94,178, and a write-off of $10,000 for premises a balance of $4,194 was carried to profit and loss account, which, added to the $1,241 brought forward from the previous year, gave a balance to carry forward of $5,435.

Estates Total $38,771,478

Funds of estates and trusts under administration aggregated $38,771,478 compared with $39,049,618. A considerable volume of business carried in this account last year was transferred to "guaranteed investment account," which showed an increase from $1,008,900 to $2,747,867; first mortgages held therein increased from $578,632 to $2,040,179. Cash in banks was $27,000 higher at $71,048; bonds and debentures were reduced from $360,000 to $286,591. Loans on stocks and bonds stand at $350,049 as compared with $26,457 the year before.

The company account shows assets at $2,119,706 compared with $2,074,004 at the end of 1930. Chief among these are agreements of sale, $440,250, including interest, compared with $491,892, principal only. Advances to estates and trusts totalled $409,716 compared with $246,281, advances having been made to estates and the liquidation of assets deferred for the time being. Loans on stocks and bonds and other collateral amounted to $289,238 as against $332,542. Mortgages are valued at $120,334 including interest compared with $104,932, principal only. Real estate held for sale, less mortgages payable, totalled $284,803 compared with $324,872.

Office Account Higher

Office premises account shows an increase from $197,477 to $360,000, reflecting the acquisition of offices for the Vancouver branch which last year was shown as "equity in agreement for purchase" at $72,500. The Edmonton office is now closed, its business having been transferred to the Calgary branch.

Capital stock paid up now totals $1,181,020, representing 11,186 fully and 1,950 partly paid-up shares. Reserve stands at $856,020 at which an increase of $7,000 is shown.

Comparative earnings statement is as follows:

PROFIT AND LOSS ACCOUNT
Years Ended Dec. 31

	1931	1930
	$	$
Net earnings*	121,572	91,965
Less: Res. for inc. tax	13,200	10,759
Net profits	108,372	81,206
Less: Dividends	94,178	103,124
W/o premises	10,000	....
Surplus for year	4,194	†21,918
Prev. surplus	1,241	23,159
Bal. carried fwd.	5,435	1,241

†Debit.
*After deducting expenses of management, etc.

Earned Per Share and Dividend Rate:

	1931	1930
Earned†	9.2%	7%
Paid	8¼%	9%

†On average capital.

NORTHERN TRUSTS EARNINGS LOWER

Assets Under Administration of Winnipeg Concern Up $1,600,000

Northern Trusts Co., Winnipeg, reported net earnings for 1931 of $55,752, equal to 3.71 per cent on paid-up capital of $1,500,000, as compared with $79,386, or 5.28 per cent, for the previous year. Dividends were paid at the rate of 3 per cent compared with 5 per cent in 1929 and 1930. The rate is now 2 per cent per annum, this basis having commenced with semi-annual payment of August 1, 1931. Dividends and transfer of $20,000 to depreciation reserve caused surplus to be drawn upon to the extent of $9,248, leaving a balance of $67,118 to be carried forward.

Gross assets under administration total $19,224,738 compared with $17,619,917 a year ago. Estates and trust account is $1,800,000 higher at $14,314,894. Trusts and agency funds are down about $90,000 to $781,114. Guaranteed funds stand at $2,193,721 compared with $2,330,695.

Company funds are approximately $32,000 higher at $1,934,009. Real estate mortgages and agreements are increased from $725,348 to $811,074. Dominion, provincial and municipal bonds total $156,896 compared with $248,234, while other bonds and stocks are valued at $300,206 compared with $297,432. Real estate acquired by foreclosure totals $431,632 compared with $393,463 a year ago. Cash is down from $26,368 to $3,650. Office premises are carried at the former figure of $145,000. These are the main items in the company's capital account, the total of which is $1,934,009 compared with $1,901,919 at the end of 1930.

Comparative earnings statement follows:

COMPARATIVE INCOME & SURPLUS ACCOUNT
Years Ended Dec. 31

	1931	1930
	$	$
Net profit§	55,752	79,386
Less appropriations:		
Deprec. reserve*	20,000	10,000
Dividends	45,000	75,000
Surplus for year	†9,248	†5,614
Add: Prev. surplus	76,366	101,980
Less: Trans. to mtge. loan res.	....	20,000
Bal. carried fwd.	67,118	76,366

§After all management expenses, directors' and auditors' fees, salaries, taxes, etc.
*Provision against depreciation in market value of bonds, debentures and stocks.
†Deficit.

Earning Rate and Dividend:

	1931	1930
Earned	3.71%	5.28%
Paid	3%	5%

Toronto Motor Show Fixed For March 5-12

Arrangements are now complete for the staging of the Toronto Motor Show at the Automotive Building of the Canadian National Exhibition, and March 5 has been officially announced as the opening day. It will be open all the following week.

The show, which is sponsored by the Canadian Automotive Chamber of Commerce, is the first of what is intended to be an annual series, and models of all the makes of automobiles offered in Canada are expected to be represented.

London Realty Earns Interest 1.5 Times

London Realty Co., which owns and operates Hotel London at London, Ont., earned bond interest approximately 1.5 times before depreciation during 1931 as compared with 1.98 times in 1930. The company has slightly under $1,200,000 of 6½ per cent first mortgage bonds outstanding. Current position of the company is stated to have been well maintained.

Decline in traffic affected earnings and the full effect of the new extension, completed late in 1930, has not as yet been felt although the lower prices charged for rooms in the new extension has placed the hotel in a better competitive position.

Privately owned, the company issues no public statement of earnings, but net earnings available for bond interest, before depreciation, is understood to have been $150,522 in 1930 and $158,000 in 1929.

GREY & BRUCE EARNED 7.1 P.C.

Owen Sound Concern Pays 6 p.c.—Carries $5,900 to Reserve

Net earnings of The Grey and Bruce Trust and Savings Co., for year ended Dec. 31, 1931, amounted to $38,585, equivalent to $7.09 per share, as compared with $40,850, or $7.50 per share, for the previous year. Dividends were continued at the 6 per cent rate, leaving a balance of $5,903 which was carried to contingent reserve, which now stands at $13,465. The reserve fund remains at $75,000.

Estates and agencies were increased from $305,220 to $331,270. Trust deposits were down from $672,337 to $660,625. Guaranteed investment receipts were increased from $429,787 to $457,822.

In the guaranteed trust account, mortgages are up from $733,901 to $765,129, accrued interest amounting to $25,359. Bond holdings remain practically unchanged, Dominion bonds totalling $255,260, municipal $75,113 and others $10,016. Bank balance is down from $21,273 to $648.

Capital Account Analyzed

In the company account, office premises and vault are again shown at $32,368, with depreciation reserve increased from $4,655 to $5,775. Mortgages and interest are up from $352,966 to $389,646; loans on collateral total $43,388 compared with $47,153. Dominion and provincial bonds have been increased from $3,968 to $75,547, and other bonds from $123,983 to $143,037.

Comparative earnings statement follows:

PROFIT AND LOSS ACCOUNT
Years Ending Dec. 31

	1931	1930
	$	$
Earnings*	46,535	47,512
Less:		
Res. for deprec.	1,682	1,533
Res. for taxes	5,631	5,000
Res. for int. on mtg.	637	129
	38,585	40,850
Less: Dividends	32,682	32,682
Reserve	....	5,000
Contingent	5,903	3,168

Earnings Per Share and Dividend Record:

	1931	1930
Earned†	$7.09	$7.50
Paid	6.00	6.00

*After providing for interest and cost of management, etc.
†After deducting reserve for depreciation, taxes and overdue interest on mortgages.

WESTERN HOMES LTD. INCREASES PROFITS

Assets Are $1,650,571; Pays 33rd Semi-annual Dividend

Western Homes, Ltd., mortgage investment company with head office in Winnipeg, reports profits of $71,846, after all expenses, loss on properties through foreclosure, and taxes, but before income tax, insurance premiums, etc. This compares with $71,143 for the previous year.

Appropriations for dividends, reserve for income tax and insurance premiums amounted to $62,399. After transferring to general reserve $5,000, a balance of $4,447 was carried to profit and loss account, bringing this up to $31,467. Reserve now stands at $140,000.

Assets include mortgages, agreements and secured loans, $1,431,579 compared with $1,363,576 at the end of 1930. Improved farm lands acquired through foreclosure are valued at $97,245 compared with $112,958, and city homes acquired through foreclosure stand at $101,117 as against $79,911. Total assets are valued at $1,650,571 compared with $1,578,455. Liabilities to the public include loan from bank, $45,000, accounts payable $240, and reserve for income tax $5,221. Total $50,461 compares with $23,572. Paid-up capital increased during the year from $1,338,863 to $1,373,643.

Comparative statement of earnings follows:

PROFIT AND LOSS ACCOUNT
Years Ending Dec. 31

	1931	1930
	$	$
Profits*	71,846	71,143
Less:		
Divs., ins. prems. etc.	57,178	51,215
Inc. tax res.	5,221	5,377
Gen. reserve	5,000	15,000
Surplus for year	4,447	†449
Prev. surplus	27,020	27,469
Bal. carr. fwd.	31,467	27,020

*After all expenses, loss on properties through foreclosure, and taxes, but before income tax, insurance premiums, etc. (included with dividend appropriation).
†Debit.

Brewing Corp. Secure Control of Budweiser

From Our Own Correspondent

MONTREAL.—Control of the common stock of Budweiser Brewing Co. of Canada has been acquired by the Brewing Corp. of Canada. The Budweiser Co. was formed in 1929 to take over the assets and liabilities of Quinte Brewing Ltd. of Belleville, and to take over the distributing rights of Pilsener Beer Co. of Montreal.

Under an agreement, provision has been made whereby preferred shareholders of Budweiser Co. will be taken care of out of sales of the Budweiser unit until such time as the senior issue is redeemed. Certain sums will be set aside for each case of Budweiser products sold to pay dividends on the preferred stock of which $240,000 is outstanding.

If proceeds of the allowance are in excess of preferred dividend requirements, these will be used for retirement of the issue. The Budweiser Co. also has outstanding 150,000 shares of no par value.

The preferred stock is convertible into common on the basis of one share of preferred for 10 shares of common.

EXCHANGE PUTS THIRTEEN STOCKS ON FREE LISTS

Expect All Minimums Will be Removed End of March

Montreal Stock Exchange took a decided forward step last week when it removed the minimum price restrictions on trading from 13 stocks and revised downwards 18 others. Fears proved to be groundless that this action would be followed by panic liquidation. There was a downward flurry in Bell Telephone common stock but the free market enabled traders to register their reaction to the financial statement showing lowered earnings but the price appeared to stabilize near 110 whereas the minimum had been until February 22 set at 119.

Many of the stocks remained inactive, the period of minimum prices having reduced market interest in the stocks.

Serious consideration is now being given to removing the minimum price on Montreal Power stock and, it is expected, that before the end of next month the Montreal Stock Exchange will be free of minimum prices.

Thirteen stocks, added to the free list, include Bell Telephone, B. C. Power "A," Canada Wire and Cable "A" and "B," Dominion Textile, Hamilton Bridge preferred, International Paper and Power preferred, Montreal Cottons common and preferred, National Steel Car, Ontario Steel Products preferred, Southern Canada Power, Steel Co. of Canada.

Move Price Downward

In addition the Committee decided to revise downward a list of 18 securities, the new and old minimum prices following:

	New Min.	Old Min.
Atlantic Sugar	18½	22½
Calgary Power	125	137
Canada Nor. Power	16½	19½
Canada Bronze	16	19
Do., preferred	90	102
Canada Celanese pfd.	60	65
Canadian Cottons	40	50
Can. Converters	25	30
Can. Hydro-Elec. pfd.	60	66
Dominion Coal pfd.	20	25
Dominion Glass	75	82
Eastern Dairies	16	20
Charles Gurd	19	21
Hillcrest Coll. pfd.	80	88
J. S. Mitchell	30	35
Penmans	30	33
H. Simon and Sons	13	17
Do., preferred	85	90

CELTIC KNITTING DEFICIT LOWER FOR PAST YEAR

Loss of $7,895 Reported Compared With $28,831 in 1930

From Our Own Correspondent

MONTREAL.—Operating loss of the Celtic Knitting Co. in 1931 was $7,895 compared with a loss of $28,831 in the previous year, and the credit balance of $5,701 which was brought forward into 1931 has been changed to a deficit of $2,193.

In the report, it is pointed out that commodity markets declined steadily in the early part of the year and the company continued to take losses in inventories. Further, it was faced with decreased consumption and the consequent severe competition in the industry. Although operations showed a deficit for the year, directors felt that results were as satisfactory as could be expected and a considerable improvement over 1930.

Profit and Loss Figures

Following is a comparison of profit and loss figures for the past two years:

	1931	1930
Operating loss	$7,895	$28,831
Add: Prev. surplus	5,702	26,533
Trans. from res.	.....	8,000
Balance forward	*$2,193	$5,702

*Deficit.

Working Capital Lower

The balance sheet reveals a decline in working capital which amounted to $39,681 at the end of the year, compared with $55,515 at the end of 1930.

In his report to shareholders, E. P. Gordon, president of the company, points out that many new improvements have been added to machinery, the cost of which has been charged to expense account.

COOKSVILLE CO. DEFERS DIVIDEND ON PREFERRED

Action Follows Decision to Conserve Cash Resources

From Our Own Correspondent

MONTREAL.—Directors of Cooksville Co. Ltd. have decided not to declare the dividend on the company's preferred stock for the current quarter, their decision being made in the light of the continued uncertainty of the general business situation and for the purpose of conserving the company's liquid resources.

Dividends on the preferred stock, of which there is $400,000 outstanding, has been paid at the rate of 4 per cent since 1927, and at the end of 1931, were 57¾ per cent in arrears. By this policy of limiting disbursements on the preferred, the company, in recent years, has been able to increase its surplus which at the end of 1930 totalled $741,171. Earnings in that year were equal to $21.74 a share on the preferred stock.

Earnings Likely Lower

The annual statement for 1931, which will be forwarded to shareholders at an early date, will likely show some reduction from the previous year when operating profit was $218,637 after income tax. The company's operations are affected by conditions in the building trade for through its own and subsidiary companies, it manufactures common brick, hollow building tile, and similar products. Subsidiaries are Interprovincial Brick Co. and Port Credit Brick, Ltd.

Mitchell's Annual Meet Routine in Character

From Our Own Correspondent

MONTREAL. — Annual meeting of J. S. Mitchell and Co., which took place at the company's head office in Sherbrooke, was routine in character and the old board of directors was elected for the ensuing year.

ACME GLOVE HAD OPERATING LOSS DURING PAST YEAR

Lower Sales and Inventory Write-Offs Reduce Revenue

From Our Own Correspondent

MONTREAL.—Operating loss of Acme Glove Works Ltd. in 1931, after writing down inventories, was $12,896 compared with a loss of $11,263 in the previous year. After depreciation the net deficit for the year was $38,725, to which was added a previous deficit of $45,351, making a total debit balance of $84,076 brought forward into the current year.

During the past year no disbursements were made on account of first or second preferred dividends. In 1930 dividend payments increased the deficit for that year to $99,126, which was offset to some extent by $44,109, which at that time was at credit of surplus.

It is pointed out in the report that commodity price declines necessitated a write-off of $30,000 in the company's inventory valuations. The decline of the Canadian dollar on the American market also resulted in some substantial losses in the company's purchases of American and foreign merchandise.

Profit and Loss Figures

Following is a comparison of profit and loss figures for the past two years:

	1931	1930
	$	$
Oper. loss	12,896	11,263
Depreciation	25,829	25,613
Net loss	38,725	36,876
Less: First pfd. divds.	.....	48,750
Second pfd. divds.	.....	13,500
Deficit for year	38,725	99,126
Add: Prev. surplus	*45,351	†44,109
Bal. at debit	84,076	55,017

*Adjusted deficit.
†Adjusted.

Strong Liquid Position

Working capital position has been reduced, but a ratio of 31 to 1 is indicated. At the end of the year current assets totalled $800,925 against current liabilities of $25,170, leaving a working capital of $775,755. This compares with $788,288 at the end of 1930.

In his remarks to shareholders, J. D. Ouelette, president of the company, points out that the company, in common with the majority of industries, suffered from conditions prevailing throughout Canada. Hand-to-mouth buying on the part of the retail trade made it difficult to operate the plants at a profit and resulted in a contraction of over 20 per cent in sales as compared with 1930.

GUELPH TRUST CO. EARNS 10 PER CENT

Total Assets Slightly Lower at $2,271,000 in 1931

Net profits after taxes of $30,264 equivalent to 10 per cent on the paid-up capital, were reported for 1931 by Guelph Trust Co. In 1930 profits were $31,924 or 10.6 per cent.

Regular dividends of 5 per cent were paid, and in addition to $10,000 set aside as reserves, an additional $10,000 was appropriated for contingencies, surplus for the year being $30,800 as compared with $35,586 at the end of 1930.

Total assets are shown at $2,270,978 a slight decline from the corresponding figure of $2,393,253 and due to a drop of $175,000 in estates trusts and agency account which more than offset increases in both capital account and in guaranteed account. Trusts, estates and account totals $1,277,227, guaranteed trust account $509,576 and capital account $484,176.

The bulk of the company's investments are in mortgages there being $446,371 in capital account and $487,175 in guaranteed trust account. Interest due on both these items is small amounting altogether to less than $20,000 which is only very slightly higher than a year ago.

Guelph Trust Co. is controlled by the Guelph and Ontario Investment and Savings Society. Its annual meeting was held February 24.

PROFIT AND LOSS ACCOUNT
Years Ended Dec. 31

	1931	1930
	$	$
Profits	36,137	35,557
Less: Taxes	5,873	3,633
	30,264	31,924
Less: Dividends	15,050	15,012
Reserve	10,000	10,200
Contingent	10,000	......
Surplus for year	*4,786	6,712
Prev. surplus	35,586	28,874
Bal. carried for'd.	30,800	35,586

*Debit.

Earning Rate and Dividend:

	1931	1930
Earned	10%	10.6%
Paid	5%	5%

GUELPH & ONT. INV. 1931 PROFITS LOWER

But Earnings Are Equal to 10½ p.c. on Paid Capital

Guelph & Ontario Investment & Savings Society for 1931 reports $100,213 or 10.4 per cent, profits on its paid-up capital of $965,080, compared with $112,601, or 11.6 per cent for the previous year. Figures are net, after expenses, interest and taxes. The dividend rate of 8 per cent was continued, and after an appropriation of $25,000 to contingency reserve, previous surplus brought forward of $21,370 was reduced to $19,377, this amount being carried forward.

Reserve fund remains the same at $869,435, while former contingent reserve of $35,000 was apparently used, having disappeared from the balance sheet.

Assets show an increase from $5,279,622 to $5,332,634, mortgages being up about $75,000 to $4,211,028; Dominion, provincial and other securities are shown about $11,500 lower at $625,466, and loans on stocks and bonds are down from $48,226 to $39,839. Real estate held for sale is approximately $8,000 higher at $85,557. Cash stands at $65,368 compared with $76,479.

Currency debentures issued in Canada have grown from $2,266,825 to $2,428,224, and sterling debentures issued in Britain are up from $63,871 to $66,950.

PROFIT AND LOSS ACCOUNT
Years Ended Dec. 31

	1931	1930
	$	$
Earnings	305,750	306,406
Less: Interest	193,573	187,743
Taxes	11,964	6,063
Net profits	100,213	112,600
Less: Dividends	77,206	77,206
Cont. reserve	25,000	35,000
Surplus for year	*1,993	394
Prev. surplus	21,370	20,977
Bal. carried fwd.	19,377	21,371

*Debit.

Earning Rate and Dividend:

	1931	1930
Earned	10.4%	11.6%
Paid	8%	8%

TRANS-CANADA INSURANCE COMPANY

Balance Sheet as at December 31st, 1931

ASSETS

CURRENT

Cash in Banks	$ 86,898.77		
Agents' Balances, October, November and December	63,785.46		
Investments (at Cost)	482,626.49		
Deferred Income on Investments	6,337.90		
			$ 639,648.62

FIXED

Office Furniture and Plans			6,558.46

CAPITAL STOCK ACCOUNT

Capital called December 24th, 1931 — Balance Due	$ 6,610.00		
Capital Called Payable March 24, 1932	33,310.00		
		$ 39,920.00	
Capital Subscribed Uncalled	$466,340.00		
Premium	56,190.00		
		522,530.00	
			562,450.00
			$1,208,657.08

LIABILITIES

CURRENT

Claims under adjustment	$ 97,454.00	
Balances held for Treaty Companies	41,155.08	
Taxes Accrued	4,752.25	
		$ 143,361.33

OTHER RESERVES

For Investments	$ 28,416.49	
For Office Furniture and Plans	2,539.95	
		30,956.44

CAPITAL AND RESERVE ACCOUNTS

Authorized 10,000 Shares of $100.00 each $1,000,000.00		
Subscribed 6,662 Shares of $100.00 each	$666,200.00	
General Reserve	86,912.54	
	$753,112.54	

RESERVE FOR UNEARNED PREMIUMS

Reserve for Unearned Premiums	$281,226.77	
Available for the Protection of Policy Holders		1,034,339.31
		$1,208,657.08

HEAD OFFICE FOR CANADA:
LEWIS BUILDING, MONTREAL

P. J. PERRIN, General Manager
J. H. CHANDLER, Secretary

DEB. CO. OF CAN. PROFITS REDUCED

Regina Concern Earns 1.6 Per Cent on Paid-up Capital

Debenture Co. of Canada, Regina, for the year ended Nov. 30, 1931, reports profits, after all expenses, interest and taxes, of $8,837, which is equivalant to 1.6 per cent on the paid up capital of $545,734, and compares with the previous year's profits of $11,422, or 2.2 per cent on capital of $534,723. Dividends were reduced from 6 to 3 per cent, leaving a balance in profit and loss account carried forward of $2,130, compared with $9,280 brought forward from last year.

Gross assets totalled $734,211 as against $831,274 at the end of the preceding year. Among these, tax sale certificates and interest amounted to $392,892; agreement and optional agreements of sale totalled $248,056; National Service Loan bonds, $50,000, this new item offsetting in part the reduction in the former two items. Property acquired for taxes is valued at $23,358 compared with $18,968. Loans to municipalities amounted to $9,205 and Saskatchewan farm loan debentures to $5,000. Cash totals $5,115 compared with $12,241 for the previous year.

Company has no liabilities to the public, having cleared off a bank loan of $100,000 during the year. Reserve account remains unchanged at $60,000, while arrears for profits on agreements pending is approximately $1,000 lower at $126,071. These items together with paid-up capital, the revenue account credit brought down, and $274 of unclaimed dividends form the total liabilities.

Comparative statement of earnings follows:

PROFIT AND LOSS ACCOUNT
Years Ended Nov. 30

	1931	1930
	$	$
Profits	10,243	16,058
Less: Taxes	1,406	4,636
Net profits	8,837	11,422
Less: Dividends	15,987	30,650
Reserve	.....	4,526
Surplus	*7,150	*23,754
Prev. surplus	9,280	33,034
Bal. carr. fwd.	2,130	9,280

Earning Rate and Dividend:

	1931	1930
Earned†	1.6%	2.2%
Paid	3%	6%

*Debit.
†On average capital.

To Develop Peat Industry

United Peat Industries Limited, St. Hyacinthe, are planning raising production and taking on more hands. The present average output of 6,000 tons yearly is expected to go up to 20,000 tons next year and to about 300,000 tons in 1935, it is claimed.

Montreal School Bonds Meet Good Reception

From Our Own Correspondent

MONTREAL. — Over-subscription of the issue of $4,550,000 six per cent bonds of the Montreal Catholic School Commission, was announced by the syndicate manager shortly after the public offering.

This issue of non-callable sinking fund bonds, maturing in 1937, was offered to the public at par by the Banque Canadienne Nationale and a syndicate comprising the Bank of Montreal, Royal Bank of Canada, and investment bankers in Toronto and Montreal.

The commission's financial statement, as at the end of last year, shows assessed value of property for taxation amounting to $816,309,524. The gross debenture debt, including present issue, amounts to $33,165,112, from which is deducted a sinking fund of $1,467,311, leaving a net debt of $31,697,801. The estimated value of the School Commission's assets is $34,114,637.

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17 Years of Continuous Progress

	1915	1931
Capital Subscribed	$182,800.00	$3,138,600.00
Capital Paid Up	24,581.53	1,373,643.11
Assets	36,613.93	1,650,571.04
Reserves and Surplus	4,741.62	226,466.65

Profits for 1931, with surplus brought forward $98,865.82

Interest collections for 1931 were only 2% below interest collections in 1930.

ARGUE BROS. LTD. GENERAL AGENTS WINNIPEG

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

KING EDWARD BUSINESS LOWER LATTER PART 1931

Rate of Decrease Slackening—Needs 25 Per Cent Increase in Patronage

A customer holds $300 Series A 8 per cent and $100 Series B King Edward Hotel debenture stock. Is the United Hotel Co. obligated to pay the interest on these issues?

What prospect is there of interest being paid, and what is the present nominal quotation on these issues?

In accordance with the plan of reorganization adopted at a special meeting of bondholders and debenture holders on March 23, 1931, and at a special meeting of shareholders, April 3, 1931, holders of Series A debentures of the King Edward Hotel Company were asked to reduce rate of interest eight to six per cent to be payable only out of earnings up to December 1, 1932, interest to be cumulative. Series B debenture holders were asked to reduce interest from eight to six per cent and to be put on a non-cumulative income basis up to December 1, 1934. Interest on the series A stock was guaranteed by United Hotels Company of America.

Experience of all hotels in Canada during 1931 was anything but good. The King Edward Hotel 1931 business as a whole was considerably under 1930 business and especially in the last four or five months the decline was very marked. However, in January and February to date, though business is lower than in the same months of 1931 the rate of decrease is much less than it has been for four or five months previously. The company has got its operating expenses down lower than at any time in the last seventeen years and it is estimated that if the company had an increase of twenty-five per cent in its total busienss it would be able to pay interest and dividends with something to spare. An increase of twenty-five per cent would put the company about on the level with 1929 as far as total business is concerned, but rates charged are much lower. This is made up for by the economies in operation effected by the lower prices of food and service. This would probably leave net enough to look after all securities. It seems to be a matter of patience on the part of Series A and Series B debenture holders in the hope that the improvement in business will occur. If it did occur, and income was large enough, some payments might be made before the period of non-payment ends.

Canadian Vickers

I would like to take advantage of your enquiry service to ask for some information on the 6 per cent bonds of Canadian Vickers, Ltd. I have heard no details of this company's activities for some time; would you please give me some idea of the position of the bonds?

Though earnings of Canada Vickers Limited will likely show some contraction in the fiscal year ended February 29, 1932, our understanding is that they will be sufficient to cover interest charges on the six per cent bonds. As you know, there has been a sharp reduction in demand for structural steel, a situation which affects the company, while marine business has also been slack. In the past two years, however, steps have been taken to overhaul thoroughly the company's operating policies with effective results. In the last fiscal year, despite the business recession, earnings showed a 100 per cent gain over the previous period, and were sufficient to cover bond interest requirements 2.71 times after depreciation. In viewing the bonds from an investment angle, it is well to remember that Canadian Vickers receives, under the Dry Dock subsidies Act, an annual subsidy of $105,000 from the Dominion Government, payable for 35 years from 1913. These payments are assigned under the trust deed, as security for the bonds; interest requirements in the fiscal year ended February 28, 1931, were $162,508.

United Securities

Please give me some information on United Securities Ltd. I hold some of this company's bonds but am not acquainted with details of its position.

United Securities, which is jointly controlled by Montreal Power and Shawinigan, in turn controls Montreal Tramways Co. and Canadian Light and Power Co. Revenue has shown gains in recent years and in the year ended March 31, 1931, bond interest was earned 1.77 times. The company's operating subsidiaries comprise the street railway system of Montreal and district, together with hydro-electric power developments with an installed capacity in excess of 70,000 h.p. These controlled properties are valuable and over a period of years may be expected to show an increase in the returns to the parent company.

Windsor Hotel

Among my holdings are the preferred shares of Windsor Hotel Co. I understand that this class of business is having a hard time. What are the prospects for the Windsor during this year?

Leading hotels are having a difficult time in face of the wide decline in tourist traffic and reduced spending power of the travelling public. By cutting operating expenses, management of the Windsor Hotel was able to report earnings sufficient to cover preferred dividend requirements in 1931, while a feature of the balance sheet was the redemption of $250,000 of preferred shares during the year. There are no immediate prospects of an improvement in the hotel situation. The Windsor, however, has demonstrated its ability to meet its problems though it remains to be seen whether it will be able to stem the decline in revenue during the current year.

B. C. Power Corp.

Is British Columbia Power feeling the effects of business conditions severely? I hold some of the "A" stock and am anxious to know if earnings have been sufficient to cover dividends to date.

Net earnings of B. C. Power Corp. in the first seven months of its current fiscal year were sufficient to cover dividend disbursements of $1 paid in that time on the class "A" stock. The company is the largest utility in British Columbia, and serves an area which has shown steady expansion in recent years. New plants have been brought into operation, increasing installed capacity of hydro-electric developments and work is progressing steadily on a 54,000 h.p. initial development at Bridge River. Though B. C. Power Corp., in common with the majority of other public utility companies, has felt the decline in industrial demand for power, improved conditions in the area served would probably find a ready reflection in revenue.

Reliance Grain

Would you be good enough to give me your opinion on the outlook for the Reliance Grain Co. this year? I understand it has done fairly well in the past and have considered commitments in the preferred stock.

Reliance Grain Co. is the one concern in the grain handling business which has been able to maintain payment of preferred dividends. Earnings in the fiscal year ended July 31, 1931, were equal to $8.25 a share on the preferred though the outlook for the current year is not so satisfactory. A small crop coupled with low prices indicates a reduction in volume of business, but, to date, no figures have been made available.

Canada Wire

As a reader of The Financial Post. I would be obliged if you would give me information regarding Canada Wire and Cable Co's. position at the end of last year. Has the company done well or are earnings likely to be lower than in 1930?

Reduced commodity prices and consequent reductions in inventory values are likely to find reflection in earnings of Canada Wire and Cable Co. for 1931. The company has expanded its properties in recent years, but profits have been affected by low metal prices. The new rod mill in Montreal was completed last year, but its operations will likely find little reflection in the financial statement for 1931; that revenue has decreased is seen in the fact that dividends on the class "B" stock have been omitted No figures on earnings have yet been made available; publication of the financial statement will allow a clearer analysis of this company's position.

International Paper

I hold some preferred shares of International Paper and Power Co. bought at around peak levels. I have considered purchasing additional shares with a view to averaging up; what is the outlook for the company?

The outlook for the newsprint industry for the next year or two does not hold much promise. As you know, low prices and decreased demand for this product have curtailed earnings of newsprint manufacturers and until there is definite upswing in business, there is little hope for any marked change in the present situation. Resumption of dividends on the preferred stock of International Paper and Power Company does not appear likely for some time.

Western Savings

The Western Savings and Loan Association has agents in this city who are trying to induce people to make a saving for children on monthly installments, for one hundred and eighty months, at six per cent interest. On their literature they state the money is held by the Western Trust Company. Could you give us any information about the above firms, their relationship with one another and their safety?

We are informed by the Western Savings and Loan Association that their assets as at September 30, 1931, were $243,491 as against liabilities to certificate holders of $190,175. This would show a surplus in favor of certificate holders of $53,316.

The principal assets are first mortgages of $214,257 and bonds and guaranteed bonds of the Dominion of Canada of $20,236 as well as cash in bank of $6,960 and loans on certificates of $2,037. They state that on October 1, 1931, actual arrears of interest were $141 in Manitoba and $61 in Saskatchewan. Arrangements have been made in these cases except one and they will be liquidated monthly. Arrears of interest, they state, are not treated as assets. The first mortgages are practically exclusively on residences, occupied by the owners. Business in Saskatchewan in the last year was confined to the district north of the Saskatchewan River, where the crop situation has been favorable. The loans in Saskatchewan are mostly held in Regina and Saskatoon. In Alberta the company has been operating only since June 1.

We are informed that auditor's reports of the company are filed each month with the Municipal and Public Utility Board of the Province of Manitoba and available at all times to the public.

We consider that contracts of this nature are suitable where there is proper supervision so that the fulfilment of the company's contracts with the public at any time can be assured, and provided also that the person going into the contract is ready to continue to maturity. He would then get all the benefits of the plan but if he carries it on for a few years only the withdrawal value would not be sufficient to have justified the prior investment.

The withdrawal condition of these saving certificates, we are informed, is as follows: "After twelve monthly payments have been made and after the expiration of twelve months from the date of application, a certificate holder may withdraw all sums paid in excess of $30 per $1,000 of maturity value of said certificate, plus interest on 30 days' notice in writing, addressed to the secretary of the association, at home office, Winnipeg, Manitoba."

Borrowing value is 90 per cent of withdrawal value. Thus whenever a person gets as his withdrawal $1,000 he can borrow 90 per cent of that amount or $900 without disturbing the original contract. The company has advertised from the beginning that all mortgages were held in trust for the certificate holders by a trust company. Some years ago the Traders' Trust Company of Winnipeg were trustees.

The Western Trust company shows an excellent financial position in its last report. It has no relation to the Western Savings and Loan Association except as trustees for the securities placed with them to cover the liability of the Western Savings and Loan Association to certificate holders.

Bonds or Stocks

I am a regular United States subscriber to your paper and would be very much obliged if you could advise me as to the investment of $2,000. I am hesitating between Dominion bonds and industrials. My present investments are 50 per cent bonds (Dominion and Ontario), 25 per cent industrials, 25 per cent agreements and mortgages (Western Canada).

In view of the large percentage in bonds and the present low price of industrials I would rather like to go into the latter so that there might be a chance of appreciation. I would be prepared to wait a year or two for such appreciation, provided the security were really good. What do you think of the Steel Company of Canada preferred at present price? Has it paid dividends regularly in past? Are there favorable prospects of its being able to do so in the future? How would you compare it for security, return and chance of appreciation to such concerns as Montreal L. H. & P., Power Corp. and B. A. Oil in all of which I have holdings? Would you advise industrials at present as against Dominion bonds?

Further, do you consider the present a favorable time for taking up further mortgages in Western Canada?

I have bought quite a few bonds during the last year or so of unsettled conditions but now feel that it might be foolish not to take advantage of the present low prices in stocks, and obtain chance of appreciation, as well as a fair dividend return while waiting. What do you think?

So far as the long term view is concerned prospects for Canada may not be much different from those in the United States although the meeting of representatives from various parts of the British Empire leads many to expect a further extension of the idea of preferential tariffs throughout the Empire with consequent advantage to exporters and importers generally. Though optimism is somewhat high at present among politicians as to the possibility of this being effected, the general international situation is still too disturbed for one to venture an opinion at this point as to the advisability of favoring industrials at present as against Dominion bonds. The latter is by far the safer course as it is evident that many industrials have not yet fully adjusted themselves to the new conditions created by the sharply declining price level.

From the speculative standpoint it is no doubt easy to get mortgages in Western Canada on a very favorable basis, but this is because the risk has been made greater by the conditions in the wheat market for the last two years. The prospects for wheat are better than they have been for two years. Higher prices for wheat would be very helpful to Western Canada, but it would appear to us that selection of mortgage risks at this time should be made with the greatest care.

Your general idea of keeping a fifty per cent back log of safety is good, and from the speculative standpoint it is no doubt true that purchases at low points on the market of stocks which have been correctly selected may sooner or later give good returns in appreciation and dividends. You state that you are prepared to wait a year or two. All hope that there will be a turn for the better in 1932, but at a time when unpleasant occurrences of international importance are happening almost weekly, and with the commodity level still sliding in some particulars, it is a very difficult thing for anyone to say that now is just the time to buy.

The Steel Co. of Canada preferred stock has an excellent record, dividends having been paid for over a decade and the company's earnings have been ample on the average. As with steel companies in the United States, the Steel Company's output is on a much lower level than a few years ago would have been regarded as possible. This company has had excellent management over many years and has followed a conservative policy which has placed it in a strong position.

British American Oil has in the last twenty years given an excellent account of itself, expanding its plant and its earnings considerably. In the last year it has expanded still further by the building of a refinery in Montreal and by the bringing in of wells in East Texas and Oklahoma. It is prevented from getting anything like the full benefit from the latter find by the curtailment programme in the United States, but these nevertheless give it an added revenue. This company, as well as other large companies in Canada, has managed to cover dividends, it is understood, this year mainly because it and they have been protected from the near insolvency condition in the United States where most of the large companies were in the red for the first six months of the year. The additional tariff protection and the application of the dumping clause has been a good protection in Canada.

Chain Store Stocks

I have about $1,000 to invest in securities with a fair yield, with companies that have a good past and hold promise of advance in price with the return of normal business conditions.

The following have been selected as tentative good buys: Loblaws A, Dominion Stores

Loblaws and Dominion Stores have both shown in the last decade impressive expansion of sales and earning ability. Loblaws has been selling through 1931 and 1932 to date in somewhat reduced volume so far as totals in dollars are concerned, and profits are a little lower but have been maintained quite well nevertheless.

Dominion Stores has kept up its earnings in a very good way and prospects of the company still appear good in spite of the depression. Both companies have given a better account of themselves than most merchandising companies in the period of decline and depression.

Porto Rico Power

I have held some preferred shares of Porto Rico Power Co. for many years and woulld like to have some information on the company's progress last year. Do you think preferred dividends were covered?

Our understanding is that Porto Rico Power Co. earned its preferred dividend requirements in 1931; In 1930 the dividend was earned four times over. This organization is one of the chief revenue producers for International Power Co., earnings have shown steady gains in the past few years and its properties have been substantially expanded. The fact that American currency is used in Porto Rico works in the company's favor when paying dividends in Canadian funds.

Abitibi Bonds

I notice bonds of Abitibi are selling at prices which return a very high interest yield as well as the chance of an advance in price as they come nearer to maturity. I am at a loss to know why they should be so low as from a cursory examination of their balance sheet it would seem that this company should be worth the amount of its bonds. This is, of course, more or less conditional on business during the next ten years returning to something like 1927 and 28. What I am wondering is if I am right in presuming that those bonds are actually a first charge on property and assets and if all preferred and common stock would be absolutely worthless before the security behind the bonds would be impaired. Are those bonds issued in small denominations or what size?

The $50,000,000 5 per cent first mortgage bonds of Abitibi Power and Paper Company had behind each $1,000 bond an equity of $3,071, based on the total assets, less current and deferred liabilities, depreciation reserves and Provincial Paper bonds at the end of 1930, the last year's financial statement presented by the company. The bonds were a direct obligation of the company and will be secured in the opinion of counsel:

1. By a direct first mortgage on all fixed property of the Abitibi Company including the Spanish River and Fort William properties which have been acquired by the Abitibi Company, subject only to purchase money mortgages or existing liens upon fixed property, acquired subsequently to the date of the mortgage, not exceeding two thirds of the cost or fair value thereof;
2. By assignment of old timber licenses, timber leases, water power rights and water power concessions now owned or hereafter acquired by the Abitibi Company; and
3. By pledge of the entire issues of first mortgage bonds and the entire issues of capital stock in the Manitoba, Ste. Anne and Murray Bay companies. The bonds will be further secured by a floating charge of the entire undertaking of the Abitibi Company.

Abitibi 5 per cent bonds Series A due June 1, 1953 are issued as $500 and $1,000 coupon bonds, registerable as to principal only.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Consolidated Smelters

What is the future for Consolidated Mining & Smelting Co.? Is it earning its dividend and would it be advisable to retain my holdings of this stock?

The Consolidated Mining & Smelting Co. of Canada is one of Canada's largest mining and metallurgical enterprises whose principal earnings are from its production of lead and zinc. The current prices and the reduced output of these metals have seriously curtailed the company's earnings and indications are at the present time that dividends are not being entirely earned.

At present prices of the shares of the company, they are clearly discounting the future and the potential earning power of the company and reflect the high esteem with which they are regarded, and also the expectation that sooner or later base metal prices and industrial conditions will improve.

The company has an adequate working capital, is well managed and aggressive. Control of the company rests with the Canadian Pacific Railway. Particularly during the past two years it has expended large sums to diversify its activities. The principal expenditure was in the establishment of a huge chemical fertilizer plant at Trail and an educational programme to introduce chemical fertilizer and its enormous possibilities to the prairie farmers. With an abundance of electric power from its own subsidiary and with its mining and marketing knowledge great hopes are held for the new enterprise when buying power of Western farmers recovers.

Improvements have been made at the company's plant that make for greater production of lead and zinc at less cost. It is the only lead and zinc operation active in Canada, and one of the few in the world at the present time. It is also one of the world's largest producers of these metals and given better prices the almost unlimited ore reserves of the company place it in a position to take full advantage of the situation.

The company is the most active explorer in the Dominion in the search of minerals. It has staked and purchased many holdings that have interesting potentialities. Its future to a large degree is tied up with the future development of Canada and its earnings will doubtless have a direct relation to improved economic conditions.

Can. Associated Goldfields

I have been informed that the Canadian Associated Gold Fields has recently succeeded in raising some money in the United States with which to operate their holdings at Larder Lake, and that the capitalization and general line up of the company has been changed, in which process Crown Reserve is being absorbed. In this re-organization could you inform me just what the position of the old shareholders shall be?

The Canadian Associated Goldfields Ltd. went into liquidation and was succeeded by the Proprietary Mines Ltd. in 1930. This latter company has been paying off the old debts of Canadian Associated and there still remains about $50,000 to be paid. Some time ago the same interests that control Proprietary Mines acquired controlling interest in the Crown Reserve Mining Co. The plan in mind is to consolidate the two properties. Recently steps have been taken to obtain more money, but the deal has not yet been consummated. The first plan is to pay off the debt and get a clear title to the old Associated Goldfields property and then start work and ultimately merge the Crown Reserve holdings.

No value can be attached to the shares of Canadian Associated Goldfields, but some of its shareholders, however, have been putting up funds that have enabled the Proprietary Mines to pay off over half the indebtedness of the old company.

The Financial Post was advised a short time ago that announcement would probably be made in the near future regarding the plans of the company.

Teapot Dome Oils

We shall be obliged if you will advise us of the condition and future prospects of Teapot Dome Oils Ltd., also the present market price.

There is very little on which to estimate future prospects of Teapot Dome Oils Ltd. It was formed to develop property in Alberta, but no real development work was completed. Last year the company was merged with the Atlantic Keystone Petroleum Co., but there is nothing to indicate that it is in any better shape than Teapot Dome Oils. There is no market for the shares. The company was formed in the hey-day of the promotional activity in Alberta, and there is nothing to indicate that its property had any outstanding merit. A limited production was gained from a few very small oil wells in the Spindletop field in Montana.

Calmont Oils

Will you please inform me of the present earnings position of Calmont Oils? What is the outlook for the immediate future?

Calmont Oils had an ambitious drilling programme backed up by very little money. At the present time it has two wells producing, which in recent months, have been averaging together about 350 barrels per month. This production is not sufficient to give the company any worth while earnings and under the new curtailment programme by the Alberta Government earnings will be further restricted.

A little over a year ago the authorized capitalization of $10,000,000 was reduced to $3,000,000, most of which is now outstanding. Under the circumstances there is little on which to place hope for worthwhile earnings in the immediate future.

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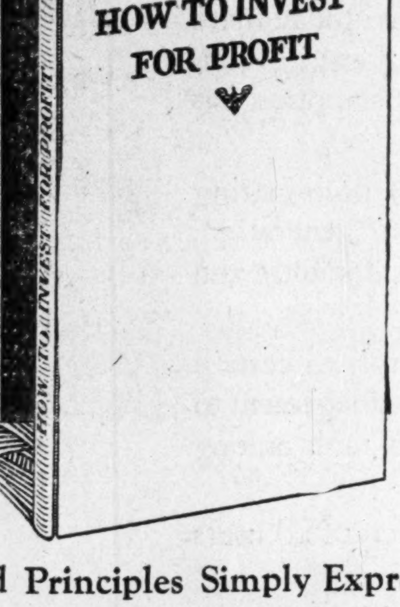
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MONTREAL
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TWENTIETH ANNUAL REPORT

THE STERLING TRUSTS CORPORATION

Head Office: The Sterling Tower, TORONTO Branch: REGINA, SASK.

BALANCE SHEET AS AT DECEMBER 31, 1931

ASSETS

Capital		
Book Value of Real Estate:		
Office Building—Regina		$ 105,000.00
Real Estate held for Sale	$ 56,122.46	
Less Mortgages Payable	6,224.57	
		49,897.89
		$ 154,897.89
Office Furniture and Fixtures, etc., less Depreciation		7,145.51
Safety Deposit Vaults, less Depreciation		16,502.35
Mortgages and Agreements Receivable (Net):		
Principal	$ 504,584.90	
Interest Due and Accrued	33,239.53	
		$ 537,824.43
Bonds, Debentures and Stocks, and Accrued Interest (at cost)		26,801.57
Loans on Bonds & Stocks, & Accrued Interest		9,006.85
Advances to Guaranteed Trust		9,163.87
Advances to Estates, Trusts and Agency		96,991.60
Fees, Commissions & Accounts Receivable (net)		40,801.91
Cash on Hand and in Banks		41,916.95
Prepaid Expenses and Deferred Charges		2,697.40
		$ 943,750.33
Guaranteed Trust		
Mortgages:		
Principal	$ 658,748.89	
Interest Due and Accrued	12,109.80	
	$ 670,858.69	
Government and Municipal Bonds at cost, and Accrued Interest	79,268.51	
Other Bonds at cost, and Accrued Interest	12,264.18	
Cash on Hand and in Banks	35,872.79	
		$ 798,264.17
Estates, Trusts and Agency		
Funds and Investments and Book Value of Assets held for Administration, Realization and Distribution	$9,830,151.78	
Cash on Hand and in Banks	34,027.83	
		$ 9,864,179.61
Total		$11,606,194.11

LIABILITIES

Capital		
Capital Stock:		
Authorized—20,000 shares of $100.00 each		$ 2,000,000.00
Issued—9,402 shares of $100.00 each, on which there has been paid		789,499.08
Reserve Fund		100,000.00
Contingent Reserve, available for depreciation and possible loss on Investments		40,000.00
Accounts Payable		3,062.21
Deferred Profits Reserve		2,467.97
Reserve for Income War Tax (Estimated)		5,012.99
Profit and Loss		3,708.08
		$ 943,750.33
Guaranteed Trust		
Guaranteed Trust Certificates	$ 595,878.59	
Interest Due and Accrued on Guaranteed Trust Certificates	9,495.69	
Deposits bearing Interest	183,726.02	
Due to Capital	9,163.87	
		$ 798,264.17
Estates, Trusts and Agency		
Amounts due to Estates, Trusts and Agency	$9,767,188.01	
Due to Capital	96,991.60	
		$ 9,864,179.61
Total		$11,606,194.11

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1931

Dividends Paid to Shareholders	$47,243.70
Dominion, Provincial and Business Taxes	9,017.79
Assets written down	10,000.00
Depreciation on Office Furniture and Safety Deposit Vaults	1,673.82
Balance carried forward at December 31, 1931	3,708.08
Total	$71,743.39

Balance Brought Forward as at December 31, 1930	$10,240.24
Add Net Profit for year after deducting Management Expenses, etc.	61,503.15
Total	$71,743.39

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of The Sterling Trusts Corporation maintained at Toronto and Regina for the year ended December 31, 1931. In accordance with the provisions of the Trust Companies' Act (Dominion) we have to report that we have obtained all the information and explanations we have required, and that, in our opinion, the above Balance Sheet at December 31, 1931, is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Corporation.

The securities and funds held for Guaranteed Trusts and Estates are kept separate from the books of the Corporation.

PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants.

ASSOC. BREWERIES ENTERS B. C. FIELD, BUILDING AT ONCE

Independent Breaks Into Virtual Monopoly by Reifel Interests

From Our Own Correspondent

VANCOUVER.—Associated Breweries of Canada, Ltd. has definitely entered the British Columbia field, according to Fritz Sick, president, who is now making his home here, and who announces that a brewery is to be built in Vancouver at once.

Although political pressure was exercised against Associated Breweries when the company first sought to manufacture beer in this province and the move was thwarted, the company has acquired the license of the Vancouver Malt & Sake Brewing Company, which had been operating under federal permit until recently when it closed down.

Has Bought Site

Mr. Sick has purchased a site in the downtown district at a reported price of $50,000 and has also taken steps to acquire adjacent property for possible future extensions. Machinery has already commenced to arrive from the Prairies and it is hoped that beer will be marketed from the Vancouver brewery by early summer.

Associated Breweries is the second largest brewing concern in Canada, now operating plants in Lethbridge, Edmonton, Prince Albert and Regina.

This is the first time that independent interests have attempted to break into British Columbia territory for some years. In the past the beer business has been virtually monopolized by the Reifel interests of Vancouver.

Liquor Board Reduced

When the British Columbia Liquor Board quarrelled with the Reifel breweries a year or so ago the threat of competition from Associated Breweries was held out by the Government, but while the matter was discussed in and out of the legislature for several weeks the Prairie concern failed to obtain the necessary authority to operate.

Meanwhile, as an economy measure, the liquor board is being reorganized and the personnel of three reduced to one.

IMP. TOBACCO TO PAY BONUS ON 1931 PROFIT

Strong Report Issued by Canada's Largest Producer

From Our Own Correspondent

MONTREAL.—Profits of Imperial Tobacco Co. for 1931, amounting to $5,914,079, compare favorably with preceding years. Comparison with 1930 is not altogether feasible, inasmuch as the previous report covered a period of 15 months when the company earned $8,153,638; on a pro rata monthly basis, earnings in 1931 were somewhat less, but still sufficient to permit the directors to declare a final dividend of three and one-half per cent on the ordinary shares.

Without taking into consideration the company's proportion of the undivided profits of the subsidiary and associated companies, which such companies have not thought fit to declare as dividends, Imperial Tobacco's profits last year were equivalent to 57 cents a share on the ordinary stock, as against 80 cents for the previous 15 months period. From the total income of $5,914,079, preference dividends absorbed $473,172, leaving a balance of $5,440,906 applicable to the ordinary stock.

Details of Income

Particulars of the profit and loss income account for the past three years, with inclusion of the final dividend, follow:

	1931 $	*1930 $	1929 $
N. profit ..	5,914,079	8,153,638	5,862,207
Pfd. div. ...	473,172	602,017	483,309
Balance	5,440,906	7,551,621	4,393,091
Com. div....	3,310,571	4,071,977	2,733,147
Balance	2,130,335	3,479,644	2,645,751
Prev. surp..	7,723,115	5,153,328	11,002,957
Total	9,853,450	8,632,972	13,648,708
Fin. div. ...	1,890,450	909,855	910,219
Balance	7,963,000	7,723,117	12,738,489
†Distrib....	......	......	7,585,160
Balance	7,963,000	7,723,117	5,153,329
Fin. div. ...	1,653,930	1,890,200	......
Balance	6,309,070	5,832,911	5,153,329
Pen. fund ..	200,000	200,000	......
P. & L.	6,109,070	5,632,911	5,153,329

*For 15-month period ended December 31, 1930.

†Being amount appropriated and applied in making payment in full for 1,517,032 ordinary shares, in accordance with resolution of August 21, 1928, at $5 per share, and distributed to the ordinary shareholders at the rate of one share for every five shares held.

Balance sheet of Imperial Tobacco on December 31, 1931 presented a healthy appearance, with net working assets of over $20,000,000. Total assets amounted to $70,020,268 as against $71,382,400 at the close of 1931.

Real estate and buildings show a slight decrease in value at $2,677,819 from $2,774,260, while equipment shows an advance of nearly $250,000 to $3,099,125.

There is no change in the value set opposite goodwill, trademark patents, which stands at $28,816,800.

Investments Are Lower

There was a drop in investment in subsidiary and associated companies last year, this item now showing on the balance sheet at $12,093,205 down from $12, 521,503. Other investments also show an increase from $62,783, to $251,950. Inventories and accounts payable show a decline, the former standing at $17,377,392 and the latter at $4,162,209. Cash in banks shows a moderate increase from $1,160,739 to $1,285,956.

Among liabilities, the issued capital shows no change. Accounts payable are down sharply from $3,860,170 to $1,876,704.

The reserve for buildings, machinery, etc., has been increased from $3,488,989 to $3,820,956, while the general reserve remains unchanged at $803,000.

Farmers Drive in Cars To Draw Relief Benefit

Government Scheme Not Only Proves Expensive But Weakens Moral Fibre of Those Getting Payments

The writer of the article published below is a Western bank manager who knows many of the agricultural communities at first hand. He tells of the serious effects on public psychology of the relief programme of the government.

Is relief demoralizing the man power of Canada? That is the question aggravating the minds of many thinking observers, especially in Western Canada.

It is not intended to suggest that with the continued large number of unemployed throughout Canada it would have been unnecessary to provide some measure of assistance for those, who, through misfortunes, sickness or otherwise had little or no reserves to draw upon, but, the wholesale granting of almost indescriminate relief has encouraged most to the view, that, irrespective of their past history, the state owes them a living. This is placing a premium not only on extravagance but on profligacy. In Canada, in the past, our political leaders have been always prone to point with pride to the virility of our people but the present period of depression has, in no small degree, disproved such pretentiousness.

Other Forms of Income

Almost everyone can point to cases where relief is being granted that appears unreasonable. The relief officers daily are uncovering cases where recipients of relief have means of support, which they did not disclose. Then we have the case in a Middle Western city of a newly married mother—a high school student — who committed suicide and it was reported that her husband, still in his 'teens, was drawing relief due to their marriage, although she was living with her people. Mention of this particular instance is made merely to show that under the present extravagant system of relief almost anyone out of work is granted assistance without any effort being made to have him rely on his own resources and that of his immediate relatives or friends who should rightly assist him as they would have to in normal times.

It is impossible for the relief officers to have a knowledge of everyone's private resources or their relatives' ability to take care of them but under the present system the impression is being left that it is their right from the state to be provided for.

Drive In to Get Relief

One relief officer handling a rural community was not satisfied to arrange for what the farmers in his district asked for but went out of his way to point out what they could get under the relief schedule, encouraging them rather than having a restraining influence. Most of the farmers in this same district were able to drive their cars in to see the relief officer and frankly admit that their cream and poultry cheques provided the money for operating their cars and the relief commission clothed and fed them. There are isolated districts in the southern parts of the western provinces that have had three successive failures and relief was essential, but in the majority of the districts only one complete failure has been experienced; most of the farmers are well established and could have got along quite well without any relief whatever except for seed and feed. But when the relief officers commenced operations a few at first applied and when relief appeared so easy to obtain gradually everyone applied. They saw their neighbors getting relief so why should they not do likewise?

Relief for Bootlegger

Take, for instance, the farmers within a radius of 30 to 50 miles of the coal mines of Estevan. Those who bought and paid for their winter's supply of coal themselves, went direct to the mines and purchased it at $1.50 per ton. Those who got their coal on relief got it from the local yard at $3 to $3.75 per ton. We find relief now being given to druggists in some places; one particular druggist was bootlegging on the side. Relief goes to merchants who through purely bad management went out of business a year or so ago. And so it goes down the list. Farmers who did not pay their relief liens of 1921 and 1922 were put on relief again without a murmur. It matters not that all these people, even in most of the urban centres, have to sign a promise to pay. Most intend to treat it as a direct grant. Will the government ever attempt to make an effort to collect? What government, for political reasons, would attempt this? The whole system is vicious.

Ousts Private Charity

There is no attempt made here to criticize unduly the administration of relief as a whole, with the exception that it appears to have been impossible for farmers in some districts to obtain feed with which to finish hogs and cattle for the market. There is no question but that had the efforts and resources of the relief commission been directed more particularly to this branch of their work there would not have been the large percentage of unfinished stock coming on the prairie markets and would thereby have made the farmers more self-supporting. There is no question but that the majority of the farmers would have got by very nicely, except for their feed and seed, especially with the generous assistance in the way of clothing and vegetables which were received from the east. It would have meant cars would not have been operated and many little extras would not have been had but the lack of these would have been more than offset by the self-respect these men would have retained. The needs of the actual needy and less fortunate, in these districts, could have been taken care of through an organization such as the Red Cross Society who, due to their experience in handling cases of need would have been the logical organization to have taken over the whole administration, together with the local committees, of this work. The government would have saved tremendous sums, not only in the cost of administration but in the actual amount of money paid out as relief. It would have provided an outlet for the energies of those who could quite easily have volunteered their services and also stimulate the charitable giving of the wealthy. It is impossible to expect a government bureau, such as the Relief Commission, which is essentially of a temporary nature, to have experience in dealing with these affairs. The personnel is not trained for the work. Similarly in the purchasing of seed, a separate organization has been set up in Saskatoon. Surely with the innumerable agriculturists we have in the various departments of agriculture, provincial and Dominion, the seed grain associations, seed plants, etc., one would not have deemed it necessary to hire a farmer, as has been done, to purchase this seed and open an office with a staff of 14!

Cannot Be Continued

Should the conditions not improve by next fall in the communities now receiving relief a very much greater need for the present elaborate system will be required but will it be possible for the governments to continue relief on the present scale? It is impossible to expect so. When one discusses the hardships and privations experienced by the early settlers in the regions above referred to, with those who did the pioneering, present conditions bear no comparison. Even the comparatively recent settlement of the Peace River country of 1911-1915, where families had to travel anything up to 500 miles for supplies, and suffer real hardships (in the time of the present generation), makes the fact that families are now receiving relief while driving cars to town to obtain these relief supplies, seem ludicrous. It is a disgrace and a blot on the lives of a great many of these people. It is demoralization on a large scale. The economic condition generally, we are told, demanded this palliative but is this the way to train our people to be resourceful and self-reliant? After the orgy of spending and gambling, in both urban and rural communities, of 1928 and 1929, are we to continue to condone and encourage unthriftiness and extravagance?

Didn't See What Was to Come

It is admitted that the present government embarked on this altogether too extravagant scale of relief before it was thought the present depression was world-wide and that a temporary bolstering up by relief measures generally would carry Western Canada over the period of poor wheat prices, but now we know several years of depressed conditions have to be faced before complete recovery can be effected (and another speculative orgy prepared for). It therefore behooves the government to immediately make a survey of the unemployed and relief situations not only for monetary reasons but because of the underlying principle of the present system of relief, which cannot help but have a far reaching detrimental influence which will take years to eradicate from the psychology of these people.

SHERWIN PAINT OMITS PAYMENT JUNIOR DIVIDEND

Industrial Business Shows Sharp Contraction from 1930

From Our Own Correspondent

MONTREAL.—Directors of Sherwin-Williams Co. of Canada, paint manufacturers, have omitted payment of the common dividend for the quarter ended February 29, in order to conserve the company's cash position. Regular trade through the usual retail outlets throughout Canada is holding up well, it is stated, but special business from manufacturers, transportation companies and similar classes of trade has shown a considerable decrease.

George A. Martin, president of the company, points out that enquiries from these sections of the market look more promising than they have for some time, and he has hopes that the total business for the year will be on a parity with that of the previous period. According to Mr. Martin, the company is in a sound financial position with surplus and reserves in excess of $6,000,000 and no indebtedness to the banks.

Earnings Sharply Lower

Earnings of Sherwin-Williams in the year ended August 31, 1931, showed a sharp contraction and net profits were $158,951 compared with $632,152 in the previous year. Preferred dividend requirements were not fully covered and payment of ordinary dividends resulted in a deficit of $423,249 for the year. Surplus brought forward was $4,169,607.

Dividends on the common stock, since the shares were split in 1929, have been paid at the annual rate of $1.60 a share, together with a quarterly bonus of 5 cents a share, making a total disbursement of $1.80 a share each year. Owing to reduced earnings the quarterly bonus was omitted in March, 1931. Previous to the share split dividends were paid regularly from 1920.

Has No Funded Debt

The company has no funded debt. In 1927, $1,408,400 of company first mortgage bonds and $340,667 of bonds of Canada Paint Co., a subsidiary, were redeemed. Structure now comprises $3,460,000 of 7 per cent preferred and 200,000 shares of no par value common. Preferred dividends have been maintained.

Calgary Prepays Part of Taxes

A. D. Murison, city tax assessor and tax collector, states that Calgary property owners had prepaid the sum of $458,318 in taxes to the city during the period from January 1 to February 6, an increase of approximately $135,000 over the amount collected during the same perod last year.

GENERAL TRUST RECORDS GAINS IN PAST PERIOD

Earnings Equalled 9 Per Cent on Paid Up Capital

From Our Own Correspondent

MONTREAL.—General Trust of Canada earned 9 per cent on its paid-up capital in 1931 compared with 8.3 per cent in the previous year. Dividends at the rate of 6 per cent were paid as opposed to 5½ per cent in 1930 and surplus was increased by $33,675 to $141,962.

The report for the past year shows an increase of $4,864,151 in property under administration which now totals $24,883,078; investments of the company in call loans have been reduced and investments in bonds and mortgages have been increased. Guaranteed accounts comprising call loans on stocks and bonds are sharply lower.

Details of Income Account

Following are details of income account for the past two years:

PROFIT AND LOSS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Net profit	99,675	91,587
Less: Dividends	66,000	60,500
Surplus for year	33,675	31,087
Prev. surplus	108,287	77,199
Bal. carr. for'd.	141,962	108,287
Earning Rate and Dividends:		
Earned†	9%	8.3%
Paid	6%	5½%

†On preferred.

Call Loans Reduced

Capital account is higher by $44,000 at $1,323,533. Of this sum $336,143 comprises call loans which compares with $729,568 in 1930 while investments are carried at $732,862 up from $405,208 in the previous year. Cash stands at $43,487 and real estate is carried at $21,472.

Estates, trusts and agency account is higher at $24,883,078 and guaranteed accounts at $1,514,650 have declined from $3,117,407. Total assets are up $3,306,000 at $27,721,264. Capital structure is unchanged from the previous year comprising $1,100,000 of preferred stock and $5,000 of common.

The board of directors and officers have been re-elected for the current year.

CAN. RAIL HARBOR TERMINALS HAD HIGHER DEFICIT

Passing of Interest on Two Bond Issues Improves Cash

Canadian Rail & Harbor Terminals Ltd. experienced a reduction of 9.3 per cent in gross revenues during 1931 and operating profit dropped to $289,942 from $358,267 reported the previous year before bond interest and depreciation. After provision for financial charges and depreciation totalling $489,457, the company showed a loss for the year of $199,515 as compared with loss of $132,091 in 1930 but since interest charges on the 7 per cent general mortgage bonds and 7 per cent debentures was passed during 1931 the actual cash position of the company shows an improvement. Interest, due March 1, on the 6½ per cent first mortgage bonds will be paid in United States funds.

In a statement to shareholders, Frank Kennedy, president and general manager of the company, states that considerable success was attained in 1931 in securing new accounts and in retaining old ones against competition at exceptionally low rates. Rates of the company have not been seriously affected. It is understood that the company has made progress in several lines, notably marine business, while cold storage space was 100 per cent filled in the latter part of 1931.

The income and surplus account of the company for 1931 and 1930 is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Operating profit	289,942	358,604
Less: Financial chgs. and deprec.	489,457	490,695
Oper. deficit for yr...	199,515	132,091
Add: Prev. deficit ..	965,423	833,332
Def. car. for.	1,164,938	965,423

The balance sheet of the company as at Dec. 31, 1931, shows current assets of $406,329 as compared with $258,412 while current liabilities are up to $180,594 from $103,846. Cash is up to $187,426 from $133,147; deposit with trust companies, re interest payments, amounts to $87,500, a new item not shown in 1930. Accounts and other receivables amount to $131,373, after reserves, as compared with $124,867 in 1930 while ice on hand is valued at $30. Current liabilities consist of first mortgage interest accrued of $75,833; taxes, $92,752; accounts payable, $6,509; reserve for "handling out" merchandise, $5,000, and bondholders' income tax refunds, $500. The tax item makes up most of the increase in current liabilities over the previous year.

Fixed assets of the company include, buildings and equipment, less depreciation, at $3,435,531; land in fee and dock lease for 999 years, $2,034,578. Deferred charges have been reduced to $658,337 during the year from $699,622 and prepaid expenses to $4,538 from $5,439. Depreciation reserve is not shown.

The outstanding funded debt of the company has not changed except for various accruals. There is $3,500,000 of 6½ per cent first mortgage bonds outstanding against which accrued sinking funds, not yet allocated, amount to $61,250. There is $2,000,000 in 7 per cent general mortgage bonds outstanding on which interest due June 1, 1931, and since remains unpaid to the amount of $151,667 while $91,525 is the total of accrued sinking funds not yet allocated. The 7 per cent debentures, outstanding to the amount of $305,000, have interest due and accrued amounting to $17,791 while sinking funds accrued total $26,687. The total funded debt plus accrued interest amounts to $5,974,458.

Capital stock consists of 2,246 shares of $100 par value preferred stock carried at $224,600 and 200,000 shares of no par value common stock carried at $1,324,000. Deficit account totalled $1,164,938 at Dec. 31, 1931, reducing capital to $394,262.

TAMBLYN PROFIT IS NEW RECORD; SALES INCREASE

Common Shares Earned $4.95; More Preferred is Retired

G. Tamblyn Ltd. earned $266,564 net from operations in the year ended Dec. 31, 1931, as compared with $237,914 in 1930, as a result of increase in sales which reached a peak of $3,872,249 in an attempt by the company to break through the $4,000,000 mark. After increased provision for interest, depreciation and taxes but some decrease in preferred dividends, due to stock redeemed, the company earned $4.95 per share on the 28,000 shares of common stock outstanding as against $4.53 in 1930 and $4.91 in 1929.

The company increased cash and inventories and appropriated more for depreciation than in previous years. Interest was somewhat higher and provision for income tax increased to $23,173 from $14,197 in 1930 although included in the 1931 provision is $3.585 additional tax on 1930 profits. Preferred stock outstanding has been reduced by 794 shares of which 421 shares have been purchased in anticipation of sinking fund requirements.

Comparison of the income and surplus accounts for 1931 and 1930 is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Net operating income ..	266,564	237,914
Less: Interest	10,825	[illegible]
Depreciation	53,333	[illegible]
Income tax provision..	23,173	14,197
Net profit	179,234	[illegible]
Less: Pref. dividend	40,649	[illegible]
Surplus for year	138,585	[illegible]
Add: Prev. surplus	356,116	[illegible]
Surplus forward	494,701	356,116

Current assets total $858,850 as against current liabilities of $344,844; a ratio of 2.5 to 1. Cash is shown at $77,649; Dominion of Canada bonds, at cost, $9,900; inventory, at cost, $761,486 and accounts receivable of $9,814. Current liabilities consist of accounts and bills payable of $311,509; reserve for Dominion income tax, $23,173, and dividend on preferred shares, $10,162. Unexpired insurance premiums are carried at $9,877 and goodwill at $150,000 as in previous years.

Fixed assets are clearly itemized at gross book value with reserve for depreciation applicable to each item and the subsequent net book value. Gross book value amounts to $830,644; reserve for depreciation totals $146,335 and net book value is $684,308. Mortgages payable total $147,600 as compared with $97,200 in 1930. The 7 per cent $100 par value cumulative preferred shares have been reduced to 5,386 shares outstanding, carried at $538,600. The one deferred share, which carries the right to elect one director is carried at $1 and the 28,000 shares of no par value common at $177,298 while surplus amounts to $494,701.

Fort William Assessment Gains

Fort William's assessment roll for 1931, upon which taxes for 1932 will be levied, show a total gross assessment of $36,094,860, according to the annual report of the assessment commissioner and tax collector, the increase over the previous year being $323,907.

Essential to Greater Toronto

THE CONSUMERS' GAS COMPANY of Toronto is now, as it has been for eighty-three years, a vital factor in the growth of the territory it serves. The history of this company has been one of constant expansion. More than 2,000 customers were added in the year ended September 30, 1931, and the present total, 170,000, is 34 per cent greater than at the end of 1921.

In 1920, total assets of the company were $12,000,000. Today, these total $25,000,000. In the same period, gross earnings have grown from $6,400,000 to $8,000,000.

In 1911, Toronto was adequately served with 456 miles of mains; today there are 1,000 miles of mains in the city proper and in its immediate suburbs.

In 1901, there was one gas meter for every eight persons; today there is one meter for every 3.8 persons. In the same period, per capita consumption of gas has grown 2½ times. In ten years, gas consumption has grown 30 per cent.

Organized in 1848 as a manufacturer and distributor of illuminating gas, the company's greatest progress has been in the present generation, when gas has been attaining a new and greater position in the domestic and industrial fields.

The future of The Consumers' Gas Company of Toronto is as certain as the future of Toronto. Its special charter has enabled its management to pursue policies which have placed the company in the first rank among public-utility organizations on this continent.

The maintenance of that premier position is in the interest of all users of gas and of the metropolitan area in general.

THE CONSUMERS' GAS COMPANY
OF TORONTO

Consult Our Industrial Department Regarding Your Problems

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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B. A. OIL EARNINGS REACH HIGH POINT IN 1931 OPERATIONS

Expansion Programme in 1931 Enabled Company to Keep End Up

MANY ECONOMIES

Bank Loans Higher as Result of Major Construction and Expansion in Year

British American Oil earnings for 1931, before depreciation, interest and Dominion income tax, amounted to $4,415,745 as compared with $4,111,215 in 1930, $4,391,809 in 1929 and $4,335,553 in 1928. After depreciation, debenture interest and income taxes, net earnings for 1931 were $2,730,930, equal to $1.04 a share on 2,622,642 shares of no par value common stock as compared with $1.01 a share in the preceding year. Debenture interest was earned nearly 18 times before depreciation and taxes.

CONS. SURPLUS, AND PROFIT AND LOSS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Net earnings	4,415,745	4,111,215
Less: Deb. int.	244,486	208,333
Deprec. reserve	1,138,329	1,017,849
Income tax reserve	302,000	237,000
Net profit	2,730,930	2,648,033
Less appropriations:		
Dividends	2,098,114	2,098,113
Surplus for year	1,632,816	549,920
Add: Prev. surplus	8,054,887	*7,504,967
Less: Tax adj. 1930	56,527	......
Bal. carried forward	9,631,176	8,054,887

*After providing for discount and expenses of debenture issue of March 1, 1930.

This encouraging result may be attributed to the fact that 1931 was the most important expanding year in the history of the company. It became in 1931 for the first time a fully integrated company with producing oil wells on its properties in Oklahoma and East Texas, with ocean oil tankers bearing its crude oil from Texas to Montreal where Montreal's needs were attended to, and then with new lake oil-carrying vessels carrying crude on to large crude oil storage tanks erected in Toronto, and with a new refinery at Montreal East built on the most modern lines. The company expanded its service stations and its routes in Quebec and Eastern Ontario to take up the output of the Montreal refinery, improved its product during the year and so managed to show an improvement in earnings in a year which most of the large oil companies, including B. A. Oil stated showed the narrowest profit margin in history. The expansion in 1931 was of a character which permitted the company to effect great economies, and this had a large part in keeping profits up.

This same expansion, however, increased current liabilities because of larger bank loans to such an extent that working capital at the end of 1931 was only $2.827,458 as compared with $4,881,226 at the outset of the year.

Working Capital

	1931 $	1930 $
Current assets	9,205,594	9,006,701
Current liabilities	6,378,136	4,125,476
Working capital	2,827,458	4,881,225
Ratio	1.44—1	2.18—1

Inventories are Higher

The increase in current assets shown in this table was mainly due to an increase in inventories from $4,083,405 to $5,147,616. Cash was down slightly from $1,155,690 to $1037,569 and accounts receivable from $3,767,606 to $3,020,409. The latter drop may be partly due to the fact that credit business in Western Canada was not very large in 1930 because of the considerable losses made in the previous year.

Bank Loans Double

Total current liabilities in this period increased from $4,125,475 to $6,378,136, this large increase being due in great part to an increase in bank loans from $1,850,000 to $3,750,000. The doubling of bank loans in this period was attributed at the annual meeting on February 22 by the president, A. L. Ellsworth, to the expansion programme of the year. In 1932 Mr. Ellsworth anticipated no major expenditures either in the United States or Canada, and he said that in the main earnings will be used to reduce bank loans and pay dividends which the directors hope to be able to maintain.

Accounts payable and accrued charges also increased in 1931 from $1,433,712 to $1,721,733, and reserve for income tax went up from $233,902 to $302,000.

A reflection of the expansion programme of the year was the rise in total assets from $27,875,353 to $30,483,722 and the value shown for plant and equipment of $14,882,088, a gain of more than $2,300,000. The company was able to reduce the $5,000,000 of debentures by a face value of $207,500 with an expenditure of only $178,571 in the present market.

Dividend Declared

Payment of the regular dividend at the rate of 20 cents a share for the first quarter of 1932 was announced by S. R. Parsons, chairman of the board, payment to be made April 1 to stock of record March 12. Mr. Parsons expressed the hope that conditions in the future would permit the dividend to be maintained unless unforeseen general business reverses should occur.

The assets of the company in Oklahoma and East Texas are not taken into the present consolidated balance sheet except as they may appear in the item of $2,314,125 for crude oil leases and goodwill and in $3,329,546 for investments in and advances to other companies. In 1930 it was reported that earnings of company's oil wells were $500,000 which were not taken into account in the company's earnings statement. At that time the company had no interest in East Texas; at present it has important production in East Texas, the interest in additional crude sources being financed to the extent of $800,000 from earnings in the United States by subsidiaries.

Mr. Parsons stated that East Texas crude was piped through a friendly pipe-line to tidewater on the Gulf of Mexico and brought by chartered oil tankers to Montreal. As compared with rail transportation this was much less expensive and the company as a result now operated only 205 tank cars. B. A. Oil's potential capacity from wells in Oklahoma, and Texas was 350,000 barrels daily, Mr. Ellsworth stated. Water transportation enabled the company to reduce its costs in this field by $509,000 to $4,293,101.

West Sure to Remain Big Factor in Wheat

'Tis Fallacy to Assume Western Drought-stricken Areas Would Be Better in Mixed Farming

By D. A. MACGIBBON

This is the first of three articles on Canada's future in wheat export, based upon a recent address delivered by Dr. Macgibbon to the Royal Canadian Institute, Toronto. Dr. Macgibbon was formerly professor of political economy at the University of Alberta and is now a member of the Board of Grain Commissioners for Canada.

ARTICLE ONE: RISE OF WHEAT PRODUCTION IN CANADA

For the last four years wheat has been very much on the front page of the daily newspapers. In 1928 Western Canada harvested approximately 545 million bushels of wheat and sold to the world wheat and flour valued at $428,500,000. In 1929 when Canadian wheat was partially withheld from the world's markets our export shrunk to one-half that of the previous year. In 1930 appeared as a serious problem, carry-overs or wheat surpluses, the great fall in wheat prices, and the financial difficulties of the Wheat Pool. In 1931 there occurred the disastrous drought in the southern half of Saskatchewan and in adjoining parts of Alberta and Manitoba. All of these matters have been very widely discussed in the newspapers.

Some Failures in East

Nevertheless, in my frequent visits to the East I am asked so many questions about the Western wheat situation and I hear such divergent views expressed by Easterners about the West, not to mention forebodings about its future, that I have thought it worth while to try to place the situation in true perspective as I see it. I most frequently hear two views.

First, that a large part of the Western provinces should never have been devoted to the cultivation of wheat but should have been left for ranching. This means, that where today a couple of hundred of thousands of people subsist through cereal production, true national economy would have left this area to cattle with the sparse population which a ranching economy entails.

Second, I am told that Western farmers are of a rather indolent type and the West could solve its problem very easily if Western farmers would only wake up and foresake the cultivation of wheat in order to become mixed farmers.

Like many current generalizations, both these views contain a certain amount of truth. Undoubtedly there are certain areas, which are really rather limited, that might better have been left to ranching; and, undoubtedly there are certain other areas now in wheat where mixed farming would be a solution to certain problems. But the idea that mixed farming is a quick cure-all to all Western troubles does not rest upon a sufficient consideration of all the facts.

Wheats to Resist Drought

It is frequently forgotten that the development of drought-resistant types of wheat enables this cereal to grow and bring profitable yields under moisture conditions that would make mixed farming impossible. This is a fact of the very greatest importance which is very often not taken into consideration. Last summer in southern Saskatchewan there was a fairly large area where there had never been a complete crop failure since the beginning of settlement, 32 years ago, until this year. True there had been short crops but a generation of farmers had prospered there and communities were well established. But last spring the rains failed to come in time. Everything burned up for lack of water. Water could not be had even to maintain small garden plots, and the necessary supplies for household use and the keeping of work animals alive was being trucked or freighted for distances of at least 20 miles. To suggest to farmers of this area, as was frequently done by Eastern visitors last summer, that the true solution for this calamity was to change methods of cultivation and to embark upon projects of mixed farming, betrayed ignorance of the situation.

Is Out of Question

Perhaps I might quote the statement of a master farmer within this area: "It is out of the question to try and grow clovers or cultivated grasses on the good prairie wheat soils because of the difficulty experienced in getting a catch in many years, as well as the disappointing yields that follow grass and sweet clover crops if there is a shortage of moisture."

On the other hand, there are areas now in wheat which might better be used for other types of farming than that and I hope to show that this process of change is already far advanced in Manitoba and I believe to be only a matter of time for parts of Saskatchewan and Alberta.

I have to set down merely a plain tale of facts and figures which will support, I submit, the conclusion that Western Canada is destined long to remain an important cultivator and exporter of wheat and, that we are approaching much more closely than people suspect our peak point in wheat production and export.

Export Trade an Old Trade

The export trade in wheat is a very old trade in this country. It goes back beyond the conquest of Canada by the British. Before 1763, exports of wheat and flour from Canada were being made to Newfoundland, the Maritimes, and the West Indies. These exports were to supply forts and fishing stations. Wheat was also at a very early date being shipped to Europe. Writing as early as 1787 Alexander Davidson stated "every port in the Mediterranean will testify to the goodness of Canadian wheat." This export trade was a small trade judging by present standards but to the pioneers of that day it was an important trade and one way by which they were able to secure foreign credits for the importation of foreign goods. Up to 1800, Canadian wheat exports came from the Province of Quebec. That province reached a production of at least 3,500,000 bushels and then fell away until today Quebec produces around one million bushels only.

Production in Ontario

With the development of Ontario, exports soon began to flow from the newer province to foreign countries. We have a steady rise in acreage cultivated in Ontario until about 1880, and then a gradual decline. Ontario reached a production of over 40 million bushels and developed an important export trade. The present production of wheat in Ontario is estimated at approximately 21 million bushels, and Ontario wheat is still exported beyond the seas. However, for some years the actual volume of wheat produced in Ontario has been almost stationary. Between 1882 and 1911 there was a steady fall in the acreage devoted to wheat in Ontario but despite the rapid industrialization of Ontario, wheat production continues to persist and appears to have settled down with a definite place and volume in the farming economy of the province. The same situation is observable in a number of the American states. A good example is the highly industrialized State of Pennsylvania which annually produces about 50 million bushels of wheat.

Wheat is Pioneer's Crop

In connection with the rise and decline of wheat production in Ontario and Quebec I wish to make certain observations. In both instances we find the reasons given for the gradual reduction in acreage to be that much land had been planted in wheat that was unsuited to it, hence, as the country advanced, other lines of production were developed. While this is undoubtedly true, and where wheat was grown on lands which it was subsequently found could be more properly devoted to other purposes, there was at the time a pressing reason for this course of action.

Wheat is an excellent pioneer's crop because:

(a) a very small area will produce sufficient supplies for domestic requirements and yet leave a surplus;

(b) as a surplus it can be easily stored and carried to market;

(c) although prices may be low at times yet the pioneer usually finds a ready market for his grain;

(d) finally, the production of wheat does not call for a large capital investment to begin its production.

In short, wheat gives to the pioneers with scanty resources an opportunity to produce a cash crop. I conclude that much of the early wheat production of Quebec and Ontario was entered into for these reasons. This has an important bearing upon certain areas now in wheat production in Alberta and Saskatchewan.

Low Price is Not Fatal

Moreover, when wheat is being produced under pioneer conditions the receipt of a low price is not necessarily followed by a reduction in acreage. The effect of low prices may be absorbed by the pioneer in a lowered standard of living or it may even induce a determined attempt on his part to maintain his income by bringing more soil under cultivation. I have been rather impressed by a statement recently made to me by the manager of a large trust company with many mortgages upon land in Western Canada. He stated that if reductions in acreage are occurring in Western Canada in lands devoted to wheat he had not observed these reductions among his company's clients. All their records showed more wheat rather than less was being sown.

I have referred to the history of Quebec and Ontario in wheat production because it suggests to me that the production of wheat in Western Canada will rise to a peak and then with the passing of the pioneer will gradually decline to a fairly fixed level; responding only to marked changes in price relationships between products.

Exports From Western Canada

Western Canada began to export wheat when she secured railway connections with the head of navigation, or the Great Lakes, in 1883. Sometime before, the governor of Minnesota had reported that the farmers of the Red River Valley were smothering in their own fat, meaning that they were producing much more wheat than they could consume and had no avenues of export. This situation was changed when the Pacific Railway reached Fort William and Port Arthur. But it was not until the eighteen nineties that Western exports began to make their influence felt upon the world's markets. Mr. Broomhall, of Liverpool, informs me that Manitoba Wheat was first quoted on the Liverpool Corn Exchange in 1892. So great was the reputation made by the hard wheats produced in Manitoba that to this day wheat grown in the Western provinces is referred to as Manitoba wheat. Our best grades of wheat are known as "Manitoba Hard" and "Manitoba One Northern Wheat." Parliament has always feared to substitute "Western Canada" for "Manitoba" lest such a change in a name so familiar to the importers of Europe would detrimentally affect our markets abroad.

ANGLO WHALING INCOME LOWER; DEFERS DIVIDEND

Operating Companies Conserve Cash During Slack Season

From Our Own Correspondent

MONTREAL.—Total income in 1931 of Anglo-Norwegian Holdings, Ltd., controlling three whaling companies was $313,178 compared with $561,223 in the previous year. After all expenses, payment of preferred dividends and expenditure incurred in the redemption of 2,000 shares of preferred stock there remained a sum equal to 16 cents a share on the common compared with 60 cents a share in 1930.

During the year a dividend of 25 cents a share was paid on the common stock distribution of which resulted in a deficit for the year of $36,283. A balance of $361,101 is carried forward into the current year but directors have decided not to pay a dividend on the common at present.

Profit And Loss Figures

Following is a comparison of profit and loss figures for the past two years:

	1931 $	1930 $
Income:		
Interest	3,124	4,560
Dividends	310,054	556,663
Total income	313,178	561,223
Less: General exp.	10,723	11,037
Directors' fees	7,500	7,500
Income tax	240	240
Net income	294,715	542,446
Less: Redempt. of pfd.	117,498	170,599
Preferred divds.	108,500	119,000
Common divds.	105,000	105,000
Surplus for year	*36,283	147,847
Add: Prev. surplus	397,384	249,537
Balance forward	361,101	397,384

*Deficit.

It is pointed out that the decrease in income does not reflect the results of the operating companies for their profits in the aggregate were considerably higher than those of the previous year. Owing to economic conditions it has been found impossible to sell whale oil until existing surplus stocks have been reduced substantially and the whaling fleets in which the company is interested have been laid up for the 1931-1932 season. Thus existing funds, which might have been available for distribution in dividends to Anglo-Norwegian, have been retained by the operating companies for financing operations when whaling is resumed.

The balance sheet shows working capital of $252,993 compared with $291,430 at the end of the previous year. Ratio of current assets to current liabilities, however, is slightly stronger at 33 to 1. Cash stands at $260,411 as opposed to $42,803 in the preceding report while a temporary advance of $257,453 to a subsidiary shown in the 1930 balance sheet has been repaid.

APPROVAL GIVEN TO QUEBEC'S TAX SECURITY SALES

Minimum Charge Imposed of Two Cents Per Share

From Our Own Correspondent

MONTREAL.—A minimum tax of two cents a share is included in the new Security Transfer Tax Act which has been adopted by the Public Bills Committee of the Quebec Legislative Assembly. The new Act has been drawn up following conferences between provincial authorities and a delegation of brokers of the province.

The rate of the tax varies in accordance with the value of the security but it is laid down that there is no tax on securities when they are first sold by a corporation to the public.

The tax, drawn up "to provide for the exigencies of the public service" will be effective upon every change of ownership of securities made by sale in the province, and on all sales made outside the province provided the order is given in Quebec. Dominion and provincial bonds will be exempt; foreign government securities will be taxed.

Provisions For Par Value

The clauses governing the tax cover taxes on securities with par and no par values. In the case of a security having a par value of less than $10 the tax will be 2 cents; if the par value is $10 or more but does not exceed $100 the tax will be 3 cents and there will be a tax of 3 cents for every $100 or fraction thereof if such par value exceeds $100. However, if the market value of the security is less than $10 such tax will be only 2 cents for every such security.

In no par securities the tax will be 2 cents if the market value of the share or unit is less than $10 but 3 cents for every share if the market value is $10 or more but does not exceed $100. For every $100 or fraction thereof the tax will be 3 cents if the market value exceeds $100. In the case of a no par security having no market value the tax will be 3 cents a share or unit.

Mining shares will be taxed 3 cents for every $100 or fraction thereof of the market value of such shares or units forming a single transaction.

Revise Corporation Tax

A revision has been effected in the new Quebec corporation tax which, it is planned, will be one and a half per cent on net profits allowing deductions for fixed charges and depreciation though the latter is to be "proper and reasonable amount." Banks and railway companies are excepted under the new Act.

Fairhall Trusts' Plan Meeting With Disfavor

Believe Preferred Shareholders Should Have More Say in Management Before Giving Up Privileges

From Our Own Correspondent

MONTREAL. — Many preferred shareholders, who are also the principal holders of the senior common stock of the Fairhall group of trust companies, are not altogether satisfied with the plan of reorganization as presented to them, though sponsors of the plan say they have received a fair measure of support. The two principal objections advanced so far are the foregoing of the cumulative dividend feature on the preferred stock and lack of representation on the board of directors.

It will be recalled that this group of investment trust companies, bearing the corporate title of Diversified Standard Securities, Second Diversified Standard Securities and Third Diversified Securities, came into being between 1927 and 1929. The first and second companies were restricted in their investments to the Standard Oil group, while the third company had power to purchase securities outside of that group.

Until publication of the reorganization plan, the management of the company did not make public the extent of the depreciation in value of the securities held in the different portfolios. That such a depreciation had been heavy was indicated by the change in the trust deed or the first and second trusts, permitting them to invest in securities other than those of the Standard Oil group.

Shrinkage in Assets

Publication of the reorganization plans showed that the $1,544,009 placed by the public in Diversified Standard Securities, had shrunk to $214,270, or an equity of $5.35 a share back of the $25 par value preferred.

Roughly $2,900,000 was invested by the public in Second Diversified Standard Securities. The reorganization plans show that this capital had shrunk to $712,318, or an equity of $9.63 back of the $25 par value preferred.

The amount of public capital in Third Diversified Standard Securities was smaller than in the original company or the Second Diversified Standard Securities, amounting to approximately $541,000. On October 31, last, there were net assets in this company of $152,068, or $9.76 back of the $25 par value preferred.

Promoters Held Control

The interlocking management of these three investment trusts held the voting control through ownership of the founders' stock in the case of Diversified Standard Securities, and the Class "B" stock in the case of Second Diversified and Third Diversified Standard Securities. These securities have value behind them, representing stock given for small original promotion expenses.

Preferred Bears Brunt

The reorganization plans provide for a material reduction in capital value, to be absorbed by the purchaser of the preferred and Class "A" stocks of Second and Third Diversified Standard Securities and of the preference and common stocks of Diversified Standard Securities.

Holders of Diversified Standard Securities preferred stock are being asked to take a new security on the basis of 7/25ths old for one new share, with a bonus of one-tenth of a share of new Class "A" stock, while the "A" stock is exchanged at par, and the founders' shares are cut in half. The basis of exchange for the Second and Third Diversified Standard Securities is on the same basis, except that the preferred shareholders receive 11/25ths of a share for each old share of preferred held.

Holders of Diversified Standard Securities old preferred were entitled to cumulative dividend of $2 a share per annum. Under the new proposal, they would receive non-cumulative dividends to a maximum of 70 cents a share (7/25ths of $2.50) plus what dividends might be obtained from their one-tenth of a share of Class "A" stock received for each ten shares of old preferred held.

Older Trusts Fare Better

For each share of old preferred, Second Diversified Standard Securities shareholders would receive in dividends on the new preferred, $1.10 for each share exchanged as against $1.75 fixed dividend on old stock, plus the dividends that might accrue on the bonus of Class "A" stock. Cumulative dividends rights would be eliminated.

The position of preferred shareholders of Third Diversified Standard Securities in respect to dividends

(Continued on page 19)

Diversification Ensures Best Investment Results

Radio Talk Indicates Benefits of Spreading Risks; Should Be Adapted to Investor's Needs

By J. COURTLAND ELLIOTT,
A. E. Ames & Co.

Editor's Note: The below address is the fifth of a series of Talks on Principles of Investment, arranged by the Western High School of Commerce, Toronto, and broadcast by Station CFCA on February 24. The next talk will be on "Government and Municipal Securities," including foreign government bonds, "high grades" and others, and will be given by J. P. Crysdale, Gairdner & Co., at 7.45 p.m. on March 2.

Everybody has heard the old adage that all the eggs should not be put in one basket, but many investors who have armed themselves with several baskets, have found in due course that they have been putting bad eggs in good baskets. In other words, their effort has been incomplete and half-way measures in diversification are seldom successful.

Those who have an opportunity to examine the security holdings of investors are the first to admit that diversification in the fullest sense of the term, is the most frequently disregarded essential of investment. And yet, proper discrimination in the selection of securities and proper diversification as to the types of investment are the secrets of keeping one's capital intact and earning a satisfactory return.

Large investment houses employ qualified executives whose main business is to analyze clients' investment holdings with the purpose of diversifying them carefully. These men are constantly acquainting themselves with the changing picture of business and financial conditions and, within the limits of fallibility, are bringing their experience to the task of keeping the capital of their clients intact. It is obvious that in this task they devote their most conscientious efforts, for there is no advantage to an investment banking house in having a constantly changing list of clients. Rather, it is their hope that excellent service and sound advice will constantly increase the number of their permanent clients.

Diversification Often Lacking

Among such men it is well known that the lists of securities presented for analysis frequently do not measure up to the highest possibilties offered by diversification. Some investors seem to lean either to the utmost caution or its reverse. The happy medium which evidences an investment purpose and an attempt to discriminate wisely in the selection of securities is quite often absent.

As an example, the man who buys only government bonds of a conservative type might not be regarded as diversifying his holdings. Yet he is surely more of an investor than the man who is convinced of the possibilities of one industry and diversifies his holdings by purchasing the bonds and stocks of many companies in that industry.

The failure to appreciate that diversification in its complete form requires discrimination of a high order is, however, largely due to the fact that widespread public buying of securities is a comparatively recent development in this country and investment opportunities may have increased faster than our ability to grasp them. Many years ago, before the era of Victory and War Loans, bond and stock purchases were made largely by the wealthy and by financial institutions—we had not the habits of mind of English investors who were steeped in the lore of investment practice. Investment meant for most people building up a savings account or lending on a mortgage or taking an interest in some local business. In recent years the investment horizon has widened and he who wills it can more easily become a bondholder or shareholder in a steel company a thousand miles away, whose plants he will never see, than in a local grist mill.

Securities of all kinds have thus been made available to Canadian investors in a relatively short span of years and it is really not surprising that, lacking the investment habits of the peoples of older countries, we may have been confused by the variety of outlets for savings and have frequently been swayed from any fixed purpose we may have had.

Means Spreading of Risk

In such a situation, where securities of all kinds are available, investors react differently and to generalize about investors is a forbidding task. The investor who has no fixed purpose in his investment, who invests merely because he has savings and not because he wishes to accumulate for a rainy day or for retirement, or for the payment of a mortgage, reacts to investment in one of two ways. He either retires from the confusion of investment offerings and buys securities of one so-called safe type—thereby violating one rule of diversification, which is the spreading of risks—or he acquires an array of securities, possibly of doubtful merit but, from his point of view, of great profit-making possibilities—thereby violating another rule of diversification which requires discrimination in the selection of securities.

As in so many other instances probably the middle course between conservatism and speculation is the most desirable for the investor of means. Some diversification is necessary in every investment list of more than a moderate amount and the aim to diversify by the selection of sound securities should be in the back of every investor's mind. The man who eats oysters in place of a balanced diet, the man who participates in one sport to the exclusion of all others, the man who reads crime news instead of more intellectual tidings—these men miss many of the worth while pleasures of life because they are victims of over-developed prejudices and preferences. Similarly, the farmer who stakes his all on one crop, or the manufacturer who risks his capital upon the creation of one product or the investor who buys only one security because he thinks it is safe or because it will be profitable—all these men are taking unnecessary risks which might be avoided by proper diversification.

Guard Against Prejudice

We are all such victims of likes and dislikes that the investor must guard against the temptation to pit his judgment and preferences against the world. As an example, I recall valuing the estate of an investor whose worldly goods would have been much greater had he not insisted upon placing all his funds in half a dozen common stocks of companies with which he was thoroughly familiar, but all of which were adversely affected by the events of the past two years. The success of an investment plan can only be judged over a full cycle of years, but examination of holdings must be made from time to time to see that they are still suitable. Government bonds, while assuring payment in full at maturity, are subject to the changes which the swings of interest rates bring, savings deposits are subject to the changes due to varying purchasing power of money, common stocks are subject to the changing trends of business. Nothing that has to do with the wealth we have created is constant and unchangeable, and no investments can be forgotten. Diversification, or the spreading of risks by the selection of securities of various types, is the method required to offset the risks of loss in some investments by planning for profits in others.

To be specific, what does this mean to the investor? Let us leave to one side the man who has inherited a vast estate or the institution that is handling trust funds. Let us confine our scheme of investment to the man who has relatively small sums for investment from time to time.

Plan is Outlined

His plan of investment should be somewhat as follows:

First, he should save purposefully. That is, he should recognize that saving is more important than spending. He should look forward through the years and frame his investment purposes whether they be the education of his children, the provision for unemployment and old age, or the desire to meet obligations which may arise in later life. He should steel himself against the failure that statistics show brings dependency to the greater majority of people in later life.

Secondly, any investment banker will calculate for him how much he should save every month to build up a sufficient fund to meet the requirements he has set for himself and he must have the courage and the will power to save. Relatively small amounts such as $5 or $10 saved monthly and increasing as earning power grows can be built up with the assistance of compound interest into large sums.

Thirdly, he should keep enough of his savings in the bank to provide for exceptional and unforeseen expenses and he should ensure himself against the hazards of life.

Fourthly, any surplus above this amount, which will include his savings and the proceeds of interest coupons and dividend cheques, should be periodically invested. The first and many subsequent investments should be in the bonds of governments and well-established municipalities in Canada. These are safe bonds in the sense that they will be repaid at maturity and the interest payments will be regular.

Fifthly, after the bonds of the Dominion and several of the provinces and municipalities have been acquired the investor can begin to think about diversification as to type of security. He has a foundation of government bonds and I should regard this foundation always as a minimum. In other words, if your objective is $25,000 at age 50, the conservative advice to most investors—and the advice would be determined largely by your present and prospective earning power—is that the first $10,000 should be invested, not in a diversified list of bonds and stocks, but in government bonds, and you should never be swayed in your determination to have at least this proportion invested in unquestionable securities. As your fund grows and reaches your minimum reserve, you can be familiarizing yourself with other classes of securities. In this task the friendly and understanding advice of an investment broker will be of inestimable benefit. It is to his advantage to retain you as a client and still later in stocks, his personal interest in your financial welfare can be of great assistance.

Should Check Progress

As the final and perhaps the most important part of your financial plan, indulge now and then in some retrospection. Figure up how much you have earned in the last three years, figure up how much you have saved, figure up how much of your savings are intact. It will not require much ingenuity to determine whether you are getting on financially in the world. If your investment plan has been faulty, take counsel with yourself, and preferably with someone else. Revise your plan intelligently, start building again on a surer foundation and make certain that the eggs you choose for your baskets are good.

It will be noted particularly that I have set up no arbitrary percentages of investment such as 50 per cent in government and municipal bonds, 25 per cent in public utility and industrial bonds and preferred stocks and the balance in common stocks and investment trust certificates.

I have not done so for two reasons. First, because I feel that

(Continued on page 19)

MANITOBA GOV'T CLOSES OFFICES OF SAVINGS BANK

Heavy Withdrawals Believed Started By Buying of Service Loan

DEPOSITS SAFE

Accounts Distributed Among Chartered Banks; Premier Bracken Deplores "Run"

From Our Own Correspondent

WINNIPEG.—On Monday of this week savings accounts in the Provincial Savings offices of Manitoba were transferred to the various chartered banks, in an agreed proportion, each depositor having been notified by mail of the bank to which his account had been transferred. Intention to effect the transfer had been announced the previous Friday by Premier Bracken, and acceptance of new deposits was discontinued that day.

It had been intended that the transfer should be accompanied by no discontinuation of business, but the announcement resulted in some thousands of depositors making withdrawals on Friday. Such was the pressure of work that, in order to complete the transfer, business was suspended on Saturday to enable the staff of the institution, reinforced by assistants from the chartered banks, to complete the work and have everything in shape by Monday morning. The work involved the balancing and calculation of accrued interest to date of closing on about 40,000 separate accounts.

Heavy Withdrawals Cause

The closing of the provincial savings institution came about as the result of heavy withdrawals made in recent weeks, beginning with those evidently made for the purchase of Canadian Government bonds of the recent National Service issue. Subsequent withdrawals appear to have been made as a result of uneasiness among a number of depositors as to the ability of the institution to continue making prompt payment on demand, and the growth of rumors in this connection caused the withdrawals to assume large proportions. Rather than liquidate assets of the institution at a loss in order to provide cash to meet the situation, the government arranged with the chartered banks to take over its assets and liabilities in this connection.

Bonds Chief Assets

Deposits of the Provincial Savings office had shown a steady growth since its inception 12 years ago until last November, when they stood at practically $15,000,000. No banking business was done except the acceptance of deposits. The bulk of the assets were invested in provincial government securities, although bonds of both the Dominion government and of the City of Winnipeg were also held.

So long as deposits were growing the Provincial Savings Bank provided a market which absorbed provincial government issues, but as soon as withdrawals began to exceed deposits the non-liquid nature of the assets proved a source of embarrassment. Cash could only be obtained through recourse either to the Dominion government or to the chartered banks. Although there is no official statement on the subject it is believed that the provincial government appealed without success to the Dominion government in this connection, and the arrangement made with the chartered banks was the result of the refusal of Ottawa.

Premier's Statement

The rumors which precipitated the closing of the institution were largely based on that belief, and as to these the official statement of Premier Bracken was as follows:

"We regret that it has been found advisable to take this action. It would not have been necessary but for the unusual and unprecedented withdrawals. These were undoubtedly the result of rumors circulated either innocently or deliberately by persons who had no appreciation of their effects or little regard for the credit of the province. Those responsible for these rumors have performed no good service either to the depositors or to the province as a whole. However this may be, the depositors' interests have been fully protected, and loss to the province has been avoided by the action taken."

Founded 12 Years Ago

When the Provincial Savings offices were opened twelve years ago it was mainly as result of a dispute between the provincial government of that date and the chartered banks with respect to the rural credit societies which had been organized by the government. These had been formed in the hope of reducing the interest rate payable by farmers on their seasonal borrowings. The only source of money was the banks, but they declined to lend money on as low a rate as the government thought reasonable, and the government accordingly set up an institution to collect money on its own account. A rate of 4 per cent attracted deposits in increasing volume, and even when the rate was reduced some years ago to 3½ per cent deposits continued to expand. In addition to two offices in Winnipeg, offices were maintained in Brandon, Carman, Dauphin, Ethelbert, Portage la Prairie and Stonewall.

Canadian Pulp and Paper Industry

Smaller Newsprint Sales Give Producers Concern Since Beginning of Year

Efforts Directed Toward Securing More Tonnage

OPERATING RATIO 53.2

Bureau's Report for Past Month Shows Output Below Five-Year Average

From Our Own Correspondent

MONTREAL.—Negotiations looking to the merger of Canadian newsprint manufacturing companies have given way to the more pressing problem of securing tonnage.

Production in January was the lowest for that month in any year since 1927. This meant that many Canadian mills were operating at less than 40 per cent of capacity. At this level it is a difficult matter for the companies to pay their carrying charges and further it means that the companies have probably had to have recourse to the banks in order to secure additional working capital.

Current Sales Low

Interim returns for February are even more discouraging than those for January. Managements of many of the companies, therefore, are more concerned with securing additional business than with continuing negotiations for the merger. The latter will undoubtedly come up in time for serious consideration, but just now the problem of securing tonnage is one absorbing all efforts.

January production figures, compiled by the News Print Service Bureau, show a North American production of 290,814 tons, or the lowest for that month since 1925 and comparing with the high of 360,795 tons in 1929.

January Output Off

Canadian production totalled 171,321 tons. This compares with 183,073 tons for the same month in 1931 and with 206,955 tons in January, 1930.

Shipments of Canadian newsprint last month aggregated 171,843 tons, or a decline of roughly 10,000 tons from the January, 1931, figure. The record January shipment for all time was set up in 1929 when 208,427 tons were shipped.

American Sales Weaken

Though the returns on Canadian production were disappointing, those for the United States mills were even worse. For the past month American mills produced 94,247 tons—the lowest for that month in more than a decade. The manner in which American production has slipped off is well illustrated by examining the returns for January, 1926, when 140,003 tons were produced, or approximately 45 per cent more than in the past month.

Shipments of newsprint from American mills closely approximated production, amounting to 94,550 tons during the past month. This compared with 99,754 and 124,262 tons in January of 1931 and 1930, respectively.

Newfoundland Holds

The most encouraging feature of the report for January was the production of the Newfoundland mills which totalled 23,991 tons. While about 1,400 tons less than for January, 1931, this figure is the highest reported for any other corresponding month since the industry was first established on the island.

Eliminate Operating Ratio

An important and significant change in the Bureau's report for January is the dropping of the operating ratio. In explaining this omission the bureau points out "not only are there no more machines building, but it is also obvious that some machines cannot be operated at present price levels. In other words, the capacity of the industry for practical purposes cannot be determined simply by compiling the possible speeds and trims of all existing machines—whether they are running or not—but is definitely limited by a multitude of economic factors."

Reason For Change

The reason for dropping the operating ratio is not difficult to find. For some time past the bureau has reported the Canadian industry as operating at a ratio of between 50 and 60 per cent of capacity. It is known that certain of the large mills have been operating far above the average. The remainder, therefore, instead of operating at between 50 and 60 per cent of capacity, have had an operating ratio of well under 40 per cent. Public knowledge of this fact has been the cause of dissatisfaction among certain members so placed and it is likely that, upon their insistence, the operating ratio has been dropped.

More than any other figure, the operating ratio brought home to the public the fact that many machines in Canadian newsprint plants were obsolete or their capital cost was so high that they could not be operated profitably on the present selling price of newsprint. In other words, the rated capacity of 12,376 tons daily for Canadian mills does not coincide with the capacity which can be presently profitably employed.

Post Provides Ratio

In order that readers who follow the newsprint situation closely may continue to keep the records intact, The Financial Post has worked out the operating ratio for January, 1932. It was 53.2 per cent of capacity. This compares with 57.3 per cent in January, 1931, 71.5 per cent in January, 1930, and 51.3 per cent for December, 1931.

The operating ratio for American mills during January, 1932, was 65.7 per cent. This compares with 69.1 per cent in January, 1931, [illegible] per cent in January, 1930, and with 62.9 per cent in December, 1931.

Newsprint Exports Down 322,000 Tons

From Our Own Correspondent

MONTREAL.—Exports of Canadian newsprint in 1931 showed a decline of 223,000 tons from that reported in 1930. Records compiled by the Canadian Pulp and Paper Association show total shipments of 2,008,237 as against 2,331,011 tons in 1930.

The principal drop in exports, of course, was in those to the United States, which declined about 250,000 tons to 1,753,414 tons. Without exception, all the principal markets took less newsprint in 1931 than was the case in the previous year, as will be seen from the following tabulation:

	Tons 1931	Tons 1930
United Kingdom	104,027	134,639
Cuba	5,193	9,733
Jamaica	1,083	1,111
Argentina	44,295	82,285
Other Latin America	12,038	7,795
South Africa	14,744	15,964
Australia	29,502	45,098
New Zealand	14,673	21,670
All other	29,265	6,707
Overseas	254,823	325,000
To U. S. A.	1,753,414	2,006,011
Total	2,008,237	2,331,011

JANUARY EXPORTS PULP AND PAPER DOWN SLIGHTLY

Maintenance of Newsprint Shipments Feature of Returns

From Our Own Correspondent

MONTREAL.—Exports of newsprint from Canada in January showed a gain over the previous month and over the same month in 1931. In fact exports of all paper and manufactures thereof was maintained in January, 1932, but figures covering exports of pulp were substantially lower.

Exports of the pulp and paper industry in January were $10,787,277 which compares with $11,390,293 in the same month in 1931 and $11,057,047 in December, 1931.

Exports of newsprint totalled $8,661,086 in January of this year which was an increase of $362,037 over the previous month and a gain of $20,000 over January, 1931. Kraft exports at $101,072 were up $14,000 from the December figures but showed a decline of $9,000 compared with January, 1931.

Bond Paper Negligible

Bond and writing paper exports were virtually non-existent in January, 1932, totalling but $31. In the same month last year exports in this division were $2,986 and in December, 1931, totalled $4,015. Pulp and fibre wall board exports at $27,008 were down $11,000 from January last year though paperboard shipments showed a gain of $12,000 at $72,651 compared with January, 1931.

It is in pulp exports that the heavy drops are recorded. Total wood pulp and screenings shipments for export in January this year were $1,829,911, a decline of about $582,000 from the same month in 1931 and a drop of $556,000 from the figures for December, 1931.

Bleached Sulphite Higher

Sulphite pulp exports in January were $67,904, down from $331,952 in the same month last year and unbleached sulphite figures were $344,669 compared with $537,383 in January, 1931. Bleached sulphite exports gained $132,000 to $1,214,222 compared with January, 1931. Groundwood pulp was exported to the value of $185,168 in January which compared with $428,227 in the same month a year previous, and $511,527 in December.

Exports of pulpwood in January were lower totalling $402,923 compared with $712,116 in the previous January. An improvement of $22,000 was shown over December, 1931.

PULP PRODUCTION DURING PAST YEAR ON LOWER SCALE

Both Canadian and American Plants Are Affected

From Our Own Correspondent

MONTREAL.—Pulp production, both in Canada and the United States, showed an appreciable falling off in 1931 compared with returns for the preceding year.

On the basis of reports supplied by the American Paper and Pulp Association and the Canadian Pulp and Paper Association, the Newsprint Service Bureau records groundwood pulp production from Canadian mills of 1,338,085 tons in 1931 as against 1,614,292 tons in 1930. American mills reported an output of 863,504 tons last year compared to 981,151 tons for 1930. Aggregate production for the two countries in 1931 was 2,201,589 tons, or a decline of approximately 3,900,000 tons from that recorded in the previous twelve months.

Sulphite Output Down

Sulphite pulp production for the two countries last year amounted to 729,279 tons, of which the United States accounted for 324,972 and Canada 404,307 tons. This compares with a combined total in 1930 of 975,040 tons, of which Canada contributed 581,961 tons and the United States 393,079 tons.

Stocks of pulp on hand at the mills at the end of 1931 were somewhat larger than those reported at the end of 1930. Groundwood stocks totalled 78,852 tons, or an increase of about 24,600 tons during the year. Sulphite pulp stocks showed a small decline from 12,788 to 11,146 tons.

American Demand Less

The principal market for Canadian pulp is in the United States and the returns of the United States Department of Commerce indicate that the demand from that market was considerably less in 1931 than in 1930.

Imports of groundwood pulp into the United States last year dropped to 210 567 tons from 299,231 tons in 1930. At the same time purchases of Canadian pulp fell off from 254,434 tons to 181,037.

Sulphite pulp imports dropped from 1,106,487 tons in 1930 to 963,195 tons in 1931, while Canadian shipments declined from 393.785 to 306,477 tons.

Though Canada is not a large exporter of sulphate pulp, it is interesting to note that shipments to the United States last year were approximately half of those reported in 1930, amounting to 86,082 tons. Sulphate imports into the United States from all countries last year amounted to 385,965 tons or a decline of only 15,500 tons.

CO-OP. FEDEREE HAS SATISFACTORY YEAR

Quebec Association Profits Record But Small Decrease

From Our Own Correspondent

MONTREAL.—Operating profit of La Co-operative Federee de Quebec, in 1931 was $261,417 compared with $267,334 in the previous year. Though more merchandise was handled during the year, total business volume, due to lower commodity prices, was $5,471,289 last year compared with $7,233,946 in 1930.

The company is a co-operative association dealing in agricultural produce. Formed in 1922, the company expanded and in 1928, an offering of $350,000 5½ per cent first mortgage bonds was put before the public.

At the annual meeting of the association, J. F. Desmarais, general manager, stated that surplus had been increased by about $3,000 to $30,837 at the end of 1931. During the year, a decrease had been experienced in the profits on fish sales while increases were reported in canned goods and honey with seed sales also showing improvement. It was stated that seven new local co-operative federations had joined the main association, and that it was hoped an amalgamation might be effected between the Federee Co-operative with the Syndicat Co-operati de L'Union Catholique des Cultivateurs.

January Income Tax Higher

A marked increase in income tax revenue for January, as compared with the corresponding month of a year ago is shown in the report of the Department of National Revenue. The collections last month totalled $4,103,392 whereas in January, 1931, the total was $768,927. For the ten months of the fiscal year the net collections in 1931-32 were $59,111,195 and in the previous similar period $69,743,667.

PROVINCIAL PAPER EARNINGS DOWN; CASH INCREASED

Preferred Earned $9.29 Per Share in 1931; $14.75 in 1930

INVESTMENTS UP

Working Capital Position is Strong With Ratio of 6.97 to 1; Funded Debt Reduced

With net earnings from operations down to $782,784 as compared with $995,747 shown for 1930, Provincial Paper Co. financial statement for 1931 shows bond interest earned 3.77 times before depreciation against 4.34 times in 1930 and earnings of $9.29 per share on the 35,000 shares of preferred stock outstanding against $14.75 shown the previous year. Liquid position has been improved with increase in cash to $492,171 sufficient to meet accounts payable twice over.

The earnings statement shows $250,0000 taken as provision for depreciation, as in 1930 and 1929 with bond and bank interest at $207,645, the lowest since 1927. Preferred dividends were paid as usual at the rate of 7 per cent for the year and surplus was increased to $752,570 from $672,431. Comparison of the income and surplus statement for 1931 and 1930 is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Net earn. from oper.	782,784	995,747
Less: Depreciation	250,000	250,000
Bond int.	207,645	229,559
Net profits	325,139	516,188
Less appropriations:		
Pref. dividends	245,000	245,000
Common dividends	......	125,000
Surplus for year	80,139	146,188
Add: Previous surplus	672,431	526,243
Bal. carried forward	752,570	672,431

Current assets are down to $2,432,115 from $2,619,572 the previous year due to reduction in inventories to $1,088,073 from $1,515.166. Cash has been increased to $492,171 from $334,400 and bills and accounts receivable to $851,871 from $770,006. Current liabilities have been reduced to $348,695 from $411,062 with accounts payable down to $248,863 from $310,143. Bond interest accrued amounts to $38,582 and preferred dividend payable to $61,250. Ratio of current assets to current liabilities at 6.97 to 1 compares with 6.37 to 1 in 1930.

Investment account of the company, not carried as a current asset, amounts to $1,087,176 as compared with $839,941 in 1930. Included in this item, deposits on timber limits remains unchanged at $18,000 while unspecified investments are up to $1,087,176 from $839,941. It is understood that a substantial part of this investment is in the company's own bonds.

Property and plant are carried at $9,066,260 as against $8,940,266 the previous year.

Other than current liabilities, the statement shows $4,900,000 of first mortgage bonds outstanding, $100,000 less than in 1930. Depreciation reserve has been increased $250,000 to $1,500,000 while general reserve remains at $1.484,286. The 35,000 shares of $100 par value preferred stock are carried at $3,500,000 and the 100,000 shares of no par value common stock at $100,000. Abitibi Power & Paper Co. owns all of the common stock. Surplus, as before stated, is up to $752,570 from $672,431.

Canada Uses Big Tonnage Of Paper in '31

From Our Own Correspondent

MONTREAL.—Consumption of newsprint in Canada during 1931 approximated 213,000 tons, or the second highest annual figures ever recorded.

In a compilation of the apparent domestic consumption of newsprint in Canada, the Newsprint Service Bureau points out that production in 1931 totalled 2,221,000 tons and exports 2,008,000 tons, leaving a balance at home of 213,000 tons. As imports of newsprint into Canada are negligible, this factor is not taken into consideration in arriving at the estimated consumption.

The record year for all time in consumption was 1929 when production totalled 2,729,000 tons and exports 2,511,000 tons, leaving an apparent consumption of 218,000 tons.

Record of Consumption

In the following tabulation, it will be noted that the apparent consumption of newsprint in Canada has increased by over 100 per cent between the years 1919 and 1931:

NEWSPRINT IN CANADA, 1913-1931
(Tons)

Year	Production	Exports	Balance at Home
1913	350,000	......	......
1914	415,000	......	......
1915	489,000	......	......
1916	608,000	......	......
1917	686,000	......	......
1918	735,000	......	......
1919	803,000	708,000	95,000
1920	876,000	762,000	114,000
1921	808,000	709,000	99,000
1922	1,082,000	960,000	122,000
1923	1,266,000	1,138,000	128,000
1924	1,353,000	1,219,000	134,000
1925	1,522,000	1,402,000	120,000
1926	1,882,000	1,782,000	150,000
1927	2,087,000	1,882,000	205,000
1928	2,381,000	2,207,000	174,000
1929	2,729,000	2,511,000	218,000
1930	2,504,000	2,331,000	173,000
1931	2,221,000	2,008,000	213,000

British Members Want Tariff on Newsprint

From Our Own Correspondent

MONTREAL.—Despatches from London indicate that a group of members in the British House of Commons have moved an amendment to the Government Trade Bill asking that newsprint be omitted from the free list. It is stated that paper mills in Great Britain are now running 60 per cent below capacity and that if they work on full time they would be able to increase their output to produce a surplus nearly double the amount of newsprint imported from foreign countries. In supporting the exclusion of foreign newsprint, it is also stated that potential supplies from Canada and Newfoundland are such that they could supply the whole British market without assistance.

Newsprint Needs of States Double in Sixteen Years

From Our Own Correspondent

MONTREAL.—Less newsprint was consumed in the United States during 1931 than in any year since 1925. This is contrary to expectations, as it has been estimated that consumption last year would approximate that for 1928. Such is not the case, however, for the apparent consumption last year was nearly 250,000 tons below the lowest figure recorded since 1926.

In the following tabulation of the apparent consumption of newsprint in the United States between 1913 and 1931, supplied by the Newsprint Service Bureau, the most interesting feature is that production last year was the lowest for any twelve months since 1913. This fact strengthens the argument often used that the United States is becoming more dependent upon foreign sources for its newsprint requirements.

Imports Gain Steadily

An examination of the figures shows that there has been a steady increase in imports, reaching a peak of 2,421,000 tons in 1929 and dropping off to 2,067,000 tons in 1931.

Exports of newsprint from the United States have been of little consequence for some years past. Between 1913 and 1920, exports averaged around 75,000 tons a year, comparing with a high of 11,000 tons in 1919. Since that time, shipments to outside points have steadily declined and amounted to a nominal figure of 10,000 tons in 1931.

Particulars of newsprint consumption in the United States for the 19 year period follow:

NEWSPRINT IN THE UNITED STATES
1913-1931
(Tons)

Year	Production	Imports	Exports	Balance at Home
1913	1,305,000	220,000	43,000	1,482,000
1914	1,313,000	315,000	61,000	1,567,000
1915	1,239,000	368,000	55,000	1,552,000
1916	1,315,000	468,000	76,000	1,707,000
1917	1,359,000	[illegible]	[illegible]	1,824,000
1918	1,260,000	[illegible]	[illegible]	1,759,000
1919	1,375,000	[illegible]	[illegible]	1,892,000
1920	1,512,000	[illegible]	[illegible]	2,198,000
1921	1,225,000	[illegible]	[illegible]	2,000,000
1922	1,448,000	[illegible]	[illegible]	2,451,000
1923	1,485,000	[illegible]	[illegible]	2,778,000
1924	1,481,000	[illegible]	[illegible]	2,821,000
1925	1,530,000	[illegible]	[illegible]	2,955,000
1926	1,684,000	[illegible]	[illegible]	3,516,000
1927	1,486,000	[illegible]	[illegible]	3,458,000
1928	1,418,000	[illegible]	[illegible]	8,564,000
1929	1,392,000	[illegible]	[illegible]	3,794,000
1930	1,282,000	[illegible]	[illegible]	3,552,000
1931	1,157,000	2,067,000	10,000	3,214,000

U. S. Newsprint Imports From Europe Growing

From Our Own Correspondent

MONTREAL.—Imports of European newsprint into United States during 1931 totalled 151,069 tons, according to records compiled by the Newsprint Service Bureau. This represented an increase of approximately 17,000 tons over that reported in 1930 and is the largest volume of newsprint brought into the United States from European countries since 1924. A breakdown of imports for last year shows that United States secured the largest proportion of its European newsprint from Sweden. Finland occupied second place, followed by Germany, Norway and other countries.

It is interesting to note that in the twelve-year period, 1920-31 European newsprint producers sold to the United States 1,527,380 tons. Of this total, 665,865 tons came from Sweden; 377,271 tons from Finland; 284,423 tons from Germany; 172,623 tons from Norway; and 27,198 tons from other countries.

For the twelve-year period Sweden accounted for 43.6 per cent of the total European imports to the United States; Germany, 18.6 per cent; Finland, 24.7 per cent; Norway, 11.3 per cent, and other countries, 1.8 per cent.

Finland Takes Lead

In examining the trend of imports, it is noted that Finland has made the greatest advance. Comparing the figures for 1921 with 1931, the former representing a more normal year than that for 1920, it is noted that Swedish imports increased from 48,932 tons to 66,688 tons. Germany recorded a decline from 38,938 to 21,910 tons. Finland was able to report an increase of more than 100 per cent, the tonnage involved increasing from 22,661 to 47,992. Norway showed a falling off from 20,193 to 14,444 tons. Imports from the other countries are of little moment.

Details of the imports of newsprint into the United States from European countries by years from 1920 to 1931 follow:

IMPORTS OF EUROPEAN NEWSPRINT INTO THE U. S.
January 1, 1920—December 31, 1931
(Tons)

	Sweden	Germany	Finland	Norway	Others	Total
1920	18,875	21,066	3,244	5,916	1,337	50,438
1921	48,932	38,938	22,661	20,193	4,613	135,337
1922	51,813	32,838	26,205	17,292	4,741	132,888
1923	64,570	52,290	41,782	33,829	7,798	200,269
1924	60,827	38,840	35,639	17,259	3,238	155,803
1925	65,518	25,862	21,683	17,030	2,421	132,514
1926	46,020	12,884	34,292	6,176	554	99,926
1927	66,920	7,096	29,330	16,796	1,919	122,061
1928	55,718	9,170	40,237	10,864	418	116,407
1929	50,717	9,741	32,293	3,498	124	96,373
1930	69,268	13,788	41,918	9,326	....	134,295
1931	66,688	21,910	47,992	14,444	85	151,069
Total, 12 years	665,865	284,423	377,271	172,623	27,198	1,527,380
Per cent	43.6	18.6	24.7	11.3	1.8	100.0

WHEAT POOL SUES MONTREAL HARBOR

Claim Excessive Charges on Wheat Stored in 1928-1929

From Our Own Correspondent

MONTREAL.—Canadian Co-operative Wheat Producers Ltd., Winnipeg, have entered an action in the Superior Court here for $522,330 damages against the Montreal Harbor Commission.

The Wheat Pool claim that they were assessed and paid $512,451 excess charges for storage under misrepresentation of the commissioners. They also claim that they were charged $9,878 too much for insurance on the grain which was stored here.

Basis of Claim

According to the declaration of the claimant, they stored 65,360,251 bushels of Canadian wheat in the commissioners' grain elevators at Montreal during the periods between April 26 and December 6, 1928, and between April 25 and November 28, 1929. Under by-law 85 of the commissioners' statutes they were to pay certain charges for storage and for insurance for the wheat during those periods.

Those charges were paid the declaration says but since that time the claimants allege that they have learned that the defendants disposed and delivered to other purposes by way of loan or otherwise, large quantities of the claimant's wheat and also to others who had delivered wheat to the defendants for storage.

As a result they claim that the quantities of their wheat in the elevators at the time were really smaller than those which they had stored and for which they were charged. And for the same reason they claim that they were over-charged $9,878 for insurance rates while their wheat was not in the elevator.

Quebec Railway Tax Put on Ontario Basis

From Our Own Correspondent

MONTREAL.—Under a proposed amendment to the Corporation Tax Act, Quebec will place railroad taxation on the same footing as in Ontario.

The new amendment provides that a tax be imposed of $60 a mile for each main line of a railroad for a single track and when the line comprises two or more tracks, it shall be $40 a mile for each additional track. No tax will be imposed upon a branch whether single track or two or more tracks. Under the old ruling railways operating in the province paid a tax on the main lines of $30 a mile for one track and, where the lines consisted of two or more tracks, $15 a mile for each additional track owned; upon each branch line $20 a mile for one track and where a line consisted of two or more tracks $10 a mile for, each additional track.

Canada Exports Rubber Shoes

In 1931 Canada shipped to no fewer than 82 countries about 5,000,000 pairs of rubber and rubber-soled boots and shoes, according to a study made by the United States Department of Commerce. During that year Canadian exports of rubber boots and shoes numbered 1,529,664 pairs, valued at $2,215,356 and canvas rubber-soled footwear was exported to the number of 3,391,664, valued at $2,192,767.

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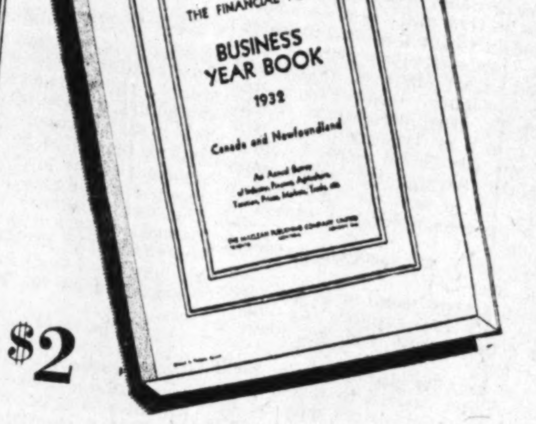

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HOLDS DOMINION CHARTER

History of First Insurance Company to Organize in Western Canada Reveals Manner in Which Early Success Was Attained — Business in Force Now $93,000,000

Forty-eight years ago a group of settlers from the fertile Portage plains of Manitoba, gathered at Portage la Prairie to devise some means of insuring their farm properties against fire.

Most of these men were from Old Ontario farms and as boys they had probably seen their fathers solve this all-important problem by the formation of "cash" or farm mutuals. They therefore set about to do likewise with the result that in October, 1884, they obtained from the Manitoba legislature a charter authorizing the establishment of The Portage la Prairie Farmers' Mutual Fire Insurance Company.

Thus in this farming community 50 miles west of Winnipeg, the first insurance company in Western Canada had its birth and some idea of the type of men who inaugurated this bold venture may be gained by the very sound of their names—Kenneth McKenzie; George Tidsbury; Hugh Grant; L. W. McLean; C. J. Green; T. Wallace and M. Wilton. Fine Anglo-Saxon stock of which Western Canada has no better asset.

Unfortunately the company's records for the first five years of its existence have been destroyed but certain documents still remaining bear ample testimony to the difficulties of getting such an undertaking underway.

What they did of course was simply to form an organization whereby the losses of all members in regard to fire would be pooled and at the end of the crop year, an assessment levied on each member to cover the losses of the preceding 12 months. There was no capital stock or guarantee fund but merely a straight co-operative plan for meeting the periodic ravages of fire on the primitive dwellings of these pioneer settlers.

Farmers Give Notes

The actual method by which this was obtained was by taking a note from each farmer in place of a premium, the amount of the note varying with the rate of risk and covering a period of three years. The note bound the farmer to pay whatever assessments might be levied during each year, but in no case would the assessment exceed the face value of the note. The assessments were levied in the fall of each year and were payable not later than November 1. In nearly 50 years of operation the average annual assessment has been well under 20 per cent which means the total average cost of a three-year insurance contract to each farmer in that period has been less than 60 per cent of the amount of his note.

To start with, such a system naturally involved many financial difficulties for its sponsors, for if a fire occurred during the year their only source of revenue until an assessment could be made was a loan from the banks which was almost invariably given on the personal undertaking of the directors of the company. Thus year after year the company records reveal that money was raised in order to meet obligations, and pay claims, by the directors themselves jointly and severally pledging their names and property on the soundness of their enterprise.

Indeed it is recorded that not until 1912 did a year elapse that this expedient was not resorted to, for the reason that until that time, the company had made it its policy to collect only the actual amount necessary to pay claims and expenses and had deemed it unnecessary to build up reserves over and above these amounts.

Wrote $65,000 in 1884

At the end of the first year of its existence the company found itself with 61 risks on its books and a total business in force of $65,000—just a little better than $1,000 per risk. A year later this had increased to 162 policies with a total in force of $301,610, while by 1893 the company had topped the million dollar mark in respect to business in force.

But in the meantime, troubles, other than merely adding risks to the company's books, arose, and in spite of a fine board of directors, the company's manager, A. A. Watson, proved unfaithful to his trust and absconded with some $895 of his employers' money — a goodly sum for those thrifty days.

Manager Supplied Heat and Light

A new manager was soon obtained, by the name of Marsh Snider and it is recorded in the company's minutes that he was to receive $500 per annum plus $2 for each new application received and $1 for each renewal, on condition that he provide "an office, approved security and light and fuel."

Those were careful yet successful days in the company's history. Every penny was watched with due Scottish caution. The auditors, for instance, of which there were two, received $5 apiece for their service. An early president named Elias Brown, was commissioned to go "to Plympton to investigate the Gillespie fire, and to receive "his reasonable expenses plus $1.50 per day." An equally typical entry was an item in the company's annual printed balance sheet of 1894, as follows:

"Odd cents lost in making change ...... .05"

Directors Use Caution

The directors were equally canny when it came to the payment of losses. The minutes of a directors' meeting in 1890, for instance, record that "P. Cornell's claim be not paid because he failed to pay his assessment until due and until after the fire occurred, and that furthermore he has been found to be carrying other insurance without the company's consent."

Not satisfied with pioneering in the Manitoba field (which incidentally was the only territory in which the company operated until 1930) the company early added innovations which made its policies unique in many respects. For instance in 1900 the company decided to include in its policies at no extra cost, insurance against losses caused by wind. A policyholder was thus protected against loss of all buildings and their contents by either fire or wind or cyclone. This is said to be the first all-inclusive contract of this kind ever attempted in Canada. Other additional features offered by the company without an extra premium note, were permission to use gasoline and gasoline engines, and withdrawal of restrictions against empty buildings.

Gasoline Hazard Crops Up

In connection with the use of gasoline on the farm, now such a commonplace article, the company's experience probably paralleled that of all fire insurance companies during the early years of the twentieth century. In the company's annual report for 1902, Thomas Sissons, the company's president at that time, asked members the question: "Should we accept risks where gasoline engines are operated?" The answer was at first in the negative but subsequently this hazard was accepted when permission was specifically given by the company.

As to the personnel of its officers and directors the company has been particularly successful both as regards the type of men and the continuity with which they have held office. Kenneth McKenzie, one of the founders of the company was the first president. C. J. Green, another founder served on the board 19 years and was its president seven years. The next president was Thomas Sissons who also served on the board of directors for 19 years and held the office of president for 14 years. William Fulton, the next president, served the board for 14 years and was president for 10 years until the time of his death.

The present president of the company, E. H. Muir, and the vice-president, M. G. Tidsbury, both succeeded their fathers who were on the original board of directors, so that in these two families the service has been continuous for 48 years. The company's present managing director, Mr. Whitaker, has been with the company since 1908.

Cyclone Proves Asset

Perhaps the most outstanding event in the company's history however was the disastrous cyclone which swept like a band of death across the very heart of the territory served by Portage la Prairie Mutual. The cyclone cut a swath some 180 miles long and stretching as much as 40 miles in width. Total loss was well over a million dollars, and it was freely predicted and even publicly announced by rival organizations that the Portage Mutual would never be able to recover from such a knockout blow which was almost equivalent, from the point of view of a company which included windstorm coverage in its policies, to that most dreaded of all fire hazards—a conflagration.

To make a long story short, the Portage Mutual not only stood the test of the 1922 cyclone and paid for 898 claims which constituted 99 per cent of all windstorm losses on the Portage Plains, but in addition it met an almost similar test in 1923 when another cyclone hit the southwest portion of the province and gave the company another 522 claims to meet. Only in one of these years did the company even have to raise its rate of assessment and then the rate was only raised to 35 per cent of the face value of the notes held by the company on its policyholders.

Thus an apparent stroke of ill-luck found the company well able to meet its obligations and by giving practical demonstration of the soundness of the principles on which the company had been established, proved to be perhaps the best advertisement the company could have obtained. Certainly since that time the company has steadily increased in strength and in prestige.

Has Own Repair Gang

Incidentally it is interesting to note at this point that one reason why the company was able to make such a satisfactory showing in the cyclones of 1922 and 1923 was the fact that for many years the Portage Mutual had operated its own repair and construction department which it had used from time to time to repair damage to property insured under its policies. Thus when the cyclone descended with such force on the Portage territory there was available a group of trained men with the requisite equipment who were able to repair thousands of dollars worth of property at very little cost to the company.

There are other reasons also why the company has been successful. For instance, as has already been pointed out, the company for nearly 50 years confined its activities entirely to Manitoba with the result that by personal knowledge and contact with its territory, the company has been able to practice very careful selection and has also been able to watch closely its risks once they were placed on the company's books. In this way the loss ratio has been kept at a remarkably low figure for nearly five decades.

Boasts Agency Association

Another point on which the company prides itself is that it has pioneered in the work of building up esprit de corps among its agents in the interests of further safeguarding itself against undesirable risks. Thus since 1923, Portage Mutual agents have had an association of their own which meets regularly at least once a year at the time of the company's annual meeting and, with the assistance of company officials, conducts instruction classes for the agents and in many other ways proves a valuable asset toward better underwriting. The bulk of the company's agents have been with the company for many years and 70 per cent of the total agency force write business for Portage Mutual only.

Another point in the company's favor has been its low expense ratio. With head office at Portage la Prairie, Manitoba, the company has transacted its business for years at a minimum of expense which has enabled the company to write its policies with an amazingly small loading for general expenses.

Decides to Expand

Thus it came about that this company which had for so many years achieved unquestioned success in the Manitoba farm insurance field, felt the need of enlarging its sphere of operations if it were to continue to grow as it had in the past. Under the leadership of Stratton Whitaker, manager of the company since 1917, the company obtained a federal insurance license from Ottawa in 1930 in the belief that the underwriting principles which had been applied with so much success in Manitoba, to the admittedly very hazardous field of farm fire insurance, could be equally well applied to the writing of commercial and mercantile risks and a certain amount of casualty business in other parts of Canada.

Accordingly with its dominion license which enabled it to operate in all parts of Canada the company during 1930 and 1931 has been gradually expanding its agency force first in Ontario, then into British Columbia and now into Quebec and into the other Prairie provinces. In addition to fire risks the company is licensed to transact automobile insurance and other allied lines of plate glass, burglary, windstorm and sprinkler leakage insurance. Incidentally at the time of receiving its federal charter the company also changed its name to the present one of The Portage la Prairie Mutual Insurance Co.

A glance at the company's annual report for 1931 shows a very substantial increase in business in force amounting to nearly $19,000,000. For a company with total fire insurance on its books a year ago of $73,000,000 it seems at first glance to be a heavy load for a company to tackle by way of an increase in one year.

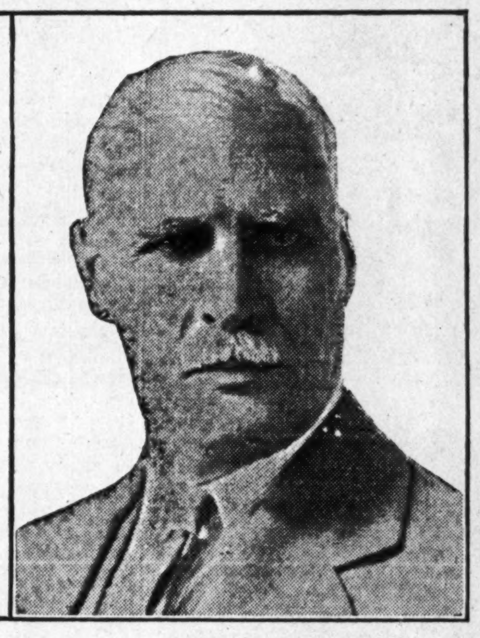
Company officials point out however that in order to fully protect the company during this new era of expansion upon which it is now embarking a special reinsurance contract with Lloyds, of London, England, has been entered into for a period of three years, which will absorb at least 50 per cent of all insurance written by the company on a cash basis during that time. This is on ordinary risks and in addition a considerably higher percentage of reinsurance will be effected on especially large risks written by the company. This contract it is felt will fully protect the company during its initial years of expansion in this new territory.

Finally it must be made clear that although the company continues to write business in Manitoba on a premium note basis as of old, the company's charter demands that all business written outside the province must be on a strictly cash, non-assessable basis, which is in other words strictly comparable with policies issued by any joint stock or "tariff" insurance company operating in Canada. Under federal insurance law in Canada mutuality of an insurance company implies no liability for assessment on the part of an insurer. The initial premium paid by the insurer constitutes the final cost of insurance the company offering no dividend to policyholders but charging a fixed premium which it is claimed is somewhat lower than the ordinary rate charged by so-called tariff companies.

Officers of Portage Mutual Have Long Record in Company's Service

E. H. MUIR
President

STRATTON WHITAKER
Managing Director



M. G. TIDSBURY
Vice-President

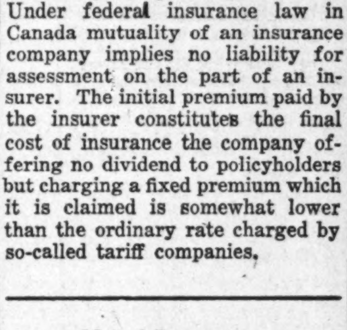
Mr. Muir has been president of the Portage la Prairie Mutual Insurance Co. and its predecessor company since 1920, his father having been one of the founders of the original Manitoba company. He has been on the company's board of directors for 30 years. Mr. Tidsbury is also the son of one of the company's founders and has been on the board of directors since 1907. He has been vice-president of the company since 1920.

Mr. Whitaker has been with the company for 24 years, has been assistant manager since 1909 and manager since 1917. He is managing director of the present Dominion licensed company chartered in 1930.

Fine Record of Growth Over 48-Year Period

Year		Business in force	No. of policies	New business issued	Increase in business in force
1884	......	$ 65,002	61	$ 65,002	$ 65,002
1885	......	301,610	162	150,697	69,700
1886	......	420,735	255	200,300	65,900
1887	......	540,925	360	240,410	70,000
1888	......	699,800	434	336,710	75,963
1889	......	832,145	506	406,700	80,910
1890	......	808,845	487	397,420	79,600
1891	......	880,062	672	401,605	82,600
1892	......	917,288	727	457,610	36,426
1893	......	1,045,790	865	498,700	128,502
1894	......	1,226,125	1,097	518,205	180,335
1895	......	1,632,666	1,554	698,805	406,531
1896	......	1,973,255	1,974	701,910	340,589
1897	......	2,486,210	2,508	869,615	512,955
1898	......	3,137,122	3,157	1,000,710	650,912
1899	......	3,777,585	3,672	1,101,695	640,463
1900	......	4,408,061	4,181	1,400,997	630,476
1901	......	5,294,249	4,798	2,197,695	886,188
1902	......	6,456,335	5,557	2,767,950	1,162,086
1903	......	8,136,068	6,431	3,690,200	1,679,751
1904	......	9,889,024	7,174	4,271,418	1,752,956
1905	......	11,806,166	8,406	4,858,118	1,914,142
1906	......	13,451,167	9,149	5,429,225	1,645,001
1907	......	14,662,894	9,553	5,549,633	1,211,724
1908	......	16,077,597	10,067	5,867,036	1,414,704
1909	......	17,948,193	10,830	6,123,794	1,870,596
1910	......	20,350,581	12,302	7,257,763	2,402,388
1911	......	21,859,469	12,364	7,818,509	1,508,888
1912	......	23,880,957	13,273	9,323,868	2,021,488
1913	......	25,803,001	13,285	9,978,095	1,922,044
1914	......	27,788,385	13,934	9,908,617	1,985,384
1915	......	30,288,709	15,328	11,683,801	2,500,324
1916	......	33,856,686	15,965	13,503,767	3,567,977
1917	......	37,884,187	17,390	14,305,565	4,027,501
1918	......	43,933,761	....	17,700,499	6,049,575
1919	......	51,556,343	....	22,134,648	7,622,582
1920	......	63,153,907	....	27,186,910	11,597,564
1921	......	70,472,332	....	26,207,317	7,318,425
1922	......	72,017,325	....	26,503,633	1,544,993
1923	......	68,331,180	....	22,346,232	......
1924	......	64,667,037	....	21,362,533	......
1925	......	64,152,075	....	22,202,348	......
1926	......	64,655,416	....	22,152,382	502,741
1927	......	65,381,656	....	22,266,312	726,240
1928	......	67,223,535	....	24,975,401	1,841,879
1929	......	68,515,652	....	23,061,787	1,292,117
1930	......	73,720,367	....	28,744,643	5,204,715
1931	......	92,690,691	....	42,610,592	18,970,325

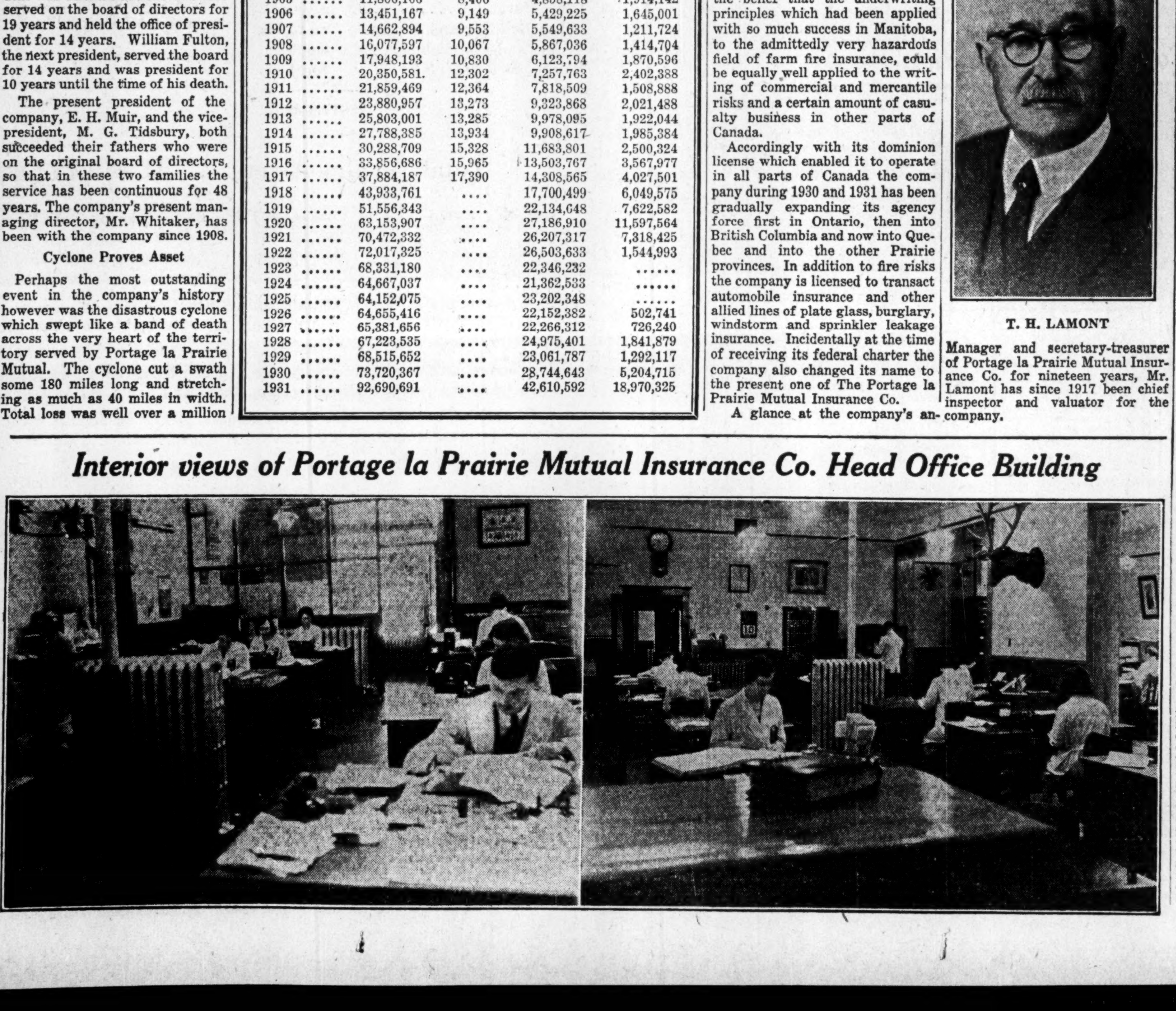
Chief Inspector



T. H. LAMONT

Manager and secretary-treasurer of Portage la Prairie Mutual Insurance Co. for nineteen years, Mr. Lamont has since 1917 been chief inspector and valuator for the company.

Interior views of Portage la Prairie Mutual Insurance Co. Head Office Building



Sound Investments In Portage Portfolio

High Grade Bonds and Debentures Comprise Company's Chief Asset as at Dec. 31, 1931

The Portage la Prairie Mutual Insurance Co. in its balance sheet as at December 31, 1931, showed total assets of $1,625,156 of which $639,023 was in cash assets the balance being in unassessed premium notes affecting its Manitoba business only.

Of cash assets the company had $521,491 invested in high-grade bonds and debentures on the basis of market values as at December 31, 1931. The soundness of these securities is well indicated by the fact that the par value of these securities is $561,791 which shows that even at the depressed values of 1931 the company was only $40,000 down in its investments on the basis of market versus par values.

A complete list of the company's holdings as at December 31, 1931, follows:

List of Securities Held by the Portage la Prairie Mutual Insurance Company as at December 31st, 1931

Security		Description		Par Value	Market Value
G. T. R. Perpetual Stock ...		Jan. & July	4%	$230,290	$200,352
Prov. of Manitoba Bonds ...	1949	June & Dec.	5%	20,000	20,800
Town of Souris	1960	Aug. 1 yearly	5½%	8,500	8,382
Can. Perm. Mortgage Corp.	1934 and 1937	June & Dec.	5%	20,000	20,000
Western Trust Co.	1933 and 1936	June & Dec.	5½ & 5¼%	10,000	9,900
National Trust Co.	1932	Jan. & July	5%	10,000	10,000
Toronto General Trusts ...	1932 and 1936	June & Dec.	5%	15,000	15,000
Huron & Erie Mtge. Corp....	1932 and 1934	June & Dec.	5%	15,000	15,000
Union Trust Co.	1936	June & Dec.	5%	5,000	5,000
Beauharnois Power Corp. ...	1959	April & Oct.	6%	5,000	4,350
Ont. Power Service Corp. ...	1950	Jan. & July	5½%	50,000	47,125
Gatineau Power Co.	1941	April & Oct.	6%	5,000	4,750
Jamaica Public Service	1950	Jan. & July	5%	25,000	23,250
Canadian Copper Refiners ..	1945	May & Nov.	6%	20,000	19,800
Prov. of Ont. Hydro	1943	March & Sept.	5%	25,000	26,187
Can. Western Natural Gas (250 shares)		Dec., March, June & Sept.	6%	25,000	23,125
Prov. of Manitoba	1944	June & Dec.	4½%	2,000	1,960
Dom. of Canada 1931 Conversion Loan	1957	Nov. & May	4½%	10,000	10,300
C. N. R. Co.	1951	March & Sept.	4½%	25,000	24,562
Power Corp. of Canada	1959	March & Sept.	4½%	3,000	2,160
Prov. of Saskatchewan	1945	March & Sept.	4½%	19,000	16,326
Dominion of Canada	1934	Nov. & May	5½%	8,000	8,080
Prov. of Saskatchewan	1957	Nov. & May	4%	6,000	5,078
				$561,791	$521,491

BUSINESS IN FORCE PORTAGE MUTUAL UP BY $19,000,000

Total in Force Now $93,000,000 Loss Ratio Lower and Assets Up

An increase of $18,970,325 in fire insurance in force during 1931 is a feature of the 48th annual report of The Portage la Prairie Mutual Insurance Co. Total business in force now amounts to $92,690,691 as compared with $73,720,367 a year ago. Business issued during 1931 amounted to $42,610,592. Loss claims are higher at $223,485 as compared with $194,723 a year ago which reflects the substantial increase in business in force, but the company reports its loss ratio as actually lower than a year ago.

Evidence of the company's policy of expansion inaugurated in 1930 when the company obtained a federal charter from Ottawa, is seen in the substantial increase in casualty premiums which totalled $156,361 of which $153,962 was in premiums on automobile insurance alone. This compares with automobile premiums of only $2,290 in 1930. The company reports a very satisfactory loss ratio on its automobile business, losses being only $23,730 which is 15.41 per cent on net premiums and 30.83 on earned premiums.

Assets Higher

Analysis of the company's balance sheet reveals total assets of $1,625,156 as compared with $1,507,565 a year ago. This figure includes $807,748 of unassessed premium notes which apply only to the company's farm business in Manitoba. The company writes business on a strictly cash basis in all other provinces. Assets exclusive of unassessed premium notes total $817,408 as compared with $652,642 a year ago, and of this former figure, $639,023 is represented by surplus cash assets. Bonds and debentures held by the company on the basis of market values as at December 31 are shown at $521,491.

Income and expenditure items show several changes as compared with a year ago, notably an increase in cash premium income from $70,165 a year ago, to $323,083. Income received from assessments on premium note business written in Manitoba amounted to $275,431 as compared with $283,955 in 1931. The company reports that in spite of depressed conditions in the agricultural territory it serves in Manitoba, collections have been very good and have amounted to a little better than 80 per cent.

Reinsurance Cost Up

In addition to $223,485 paid for losses, as outlined above the company paid out $171,231 in reinsurance charges as compared with $43,998 a year ago. This reflects the new reinsurance contract which the company has completed with Lloyds, of London, England, and which is a separate individual treaty involving only the Portage la Prairie Mutual.

Commenting on the company's fire experience during the year, Stratton Whitaker, managing director of the company, said to policyholders at the company's annual meeting in part as follows:

> "There was a small increase in our fire claims during the year, due to increase of business, but on the average our loss ratio was lower. Fire claims from farm property in Manitoba are still too high; the company has done everything in its power to guard against farm fires, by making additional inspections, by cancelling out in various territories, but seemingly all to no purpose. It is a certainty that if farm fires continue as they have done during the past two or three years, then farmers must look for an increase in their rates. We believe the time has now come when this will have to be put into force.
>
> "It would appear to us that even greater co-operation is necessary among the various insurance companies and fire commissioners to formulate some plan whereby every undesirable risk can be tabled. Unfortunately there seems to be an attitude among some of the companies not to co-operate, simply because some are stock and some are mutual; this should make no difference, especially if one can help the other cut down the loss ratio, as after all is said and done, is it not in the interests of fire prevention? What we can help save in this way is surely to the benefit of the people as a whole."

Treasurer

A. H. THORPE

Treasurer of the Portage la Prairie Mutual Insurance Co. since 1919.

Portage Traces Chief Success To Whitaker

Stratton Whitaker has been associated with The Portage la Prairie Mutual Insurance Co. since 1908.

In that time he has watched the company grow from a small provincial stripling with $16,000,000 of business on its books, until today it has some $93,000,000 of business in force and carries on business in six of the nine Canadian provinces.

Not only has he watched this development but for the past decade he has been the most potent force in this company's growth and it is largely through his initiative and enterprise that the company has achieved its present strength and influence.

Manager in 1917

In 1917 he was appointed manager and secretary-treasurer of the company, a position he retained until 1919 when A. H. Thorpe was appointed the company's treasurer. From 1919 until 1930 Mr. Whitaker retained the offices of manager and secretary of the company until the Manitoba incorporation of "Portage la Prairie Farmers' Mutual Fire Insurance Co." became a federal corporation under its present name with Mr. Whitaker as managing director.

Mr. Whitaker is an Englishman by birth although he has been a resident of Western Canada for the past thirty-two years. It is interesting that his president and vice-president are Irish and Scottish, respectively, although both were born in Canada.

Mr. Whitaker's best recommendation is the company for whose future and immediate past he is so largely responsible. For Portage la Prairie Mutual has had the best years of its honorable and successful life during the time that Mr. Whitaker has been its active head.

This has been true, perhaps, because he has been able to carry on the company's traditions of sound and conservative underwriting practice and at the same time translate these into aggressive plans for expansion and development.

PORTAGE WAS FIRST INSURANCE COMPANY ORGANIZED IN WESTERN CANADA

EXPANSION PLANS EMBRACE OFFICES IN SIX PROVINCES

First Branch Was in British Columbia — Latest in Quebec

Since inaugurating its plans for expansion which culminated in 1930 when the company obtained a federal license from Ottawa, the Portage la Prairie Mutual Insurance Co. has developed from a local Manitoba fire insurance organization to a company which does business in fire and casualty lines in six out of nine provinces.

Casualty lines now being written are: burglary, plate glass, sprinkler leakage, inherent explosion, and limited hail and windstorm insurance.

The company is rapidly expanding its agency force under the following branch managers: A. E. Wetmore, Ontario manager at Toronto; H. R. Lumby, British Columbia manager at Vancouver; H. R. Peterson, Alberta manager at Edmonton, and R. E. Schofield, of Central Fire Office Inc. at Montreal, who is in charge of the company's Quebec organization.

The first office to be opened was the Vancouver office which got underway in September, 1930. Mr. Lumby joined the Portage organization after a considerable insurance experience with Canada National Fire of Winnipeg; Northwestern Mutual; Aetna Casualty and Surety Co. and Mill Owners Mutual.

Mr. Wetmore opened the second office at Toronto in January, 1931, coming from Regina where he had been legal counsel to a group of mutual insurance companies and having in that capacity made a comprehensive study of many phases of insurance. He has associated with him, David McIntosh, formerly manager of the Pilot Insurance Co., of Waterloo, who is the company's general agent for Ontario in automobile lines, outside the city of Toronto.

Saskatchewan and Alberta were opened as new territories in the spring of 1931 and H. R. Peterson appointed branch manager for Alberta with head office at Edmonton.

Finally the Quebec territory is now being developed through association with Central Fire Office Inc., under the management of R. E. Schofield, who have been appointed the company's general agents and representatives in that province.

PREMIUM NOTE INSURANCE PLAN USED IN MANITOBA

The question has often been asked, "What is the method of operating an insurance company on a premium note basis?" Here is the answer in the simplest possible terms, as far as Manitoba is concerned.

Supposing a farmer wishes to insure his property for $1,000. If the barn or house is an ordinary frame building the basic rate for a three-year policy will be 2 per cent or in this case $20, the rate varying of course with the type of risk and so forth. Accordingly the farmer would sign a note for $20 but no matter what time of year he makes the contract and obtains his insurance, he pays no premium until harvest time in October.

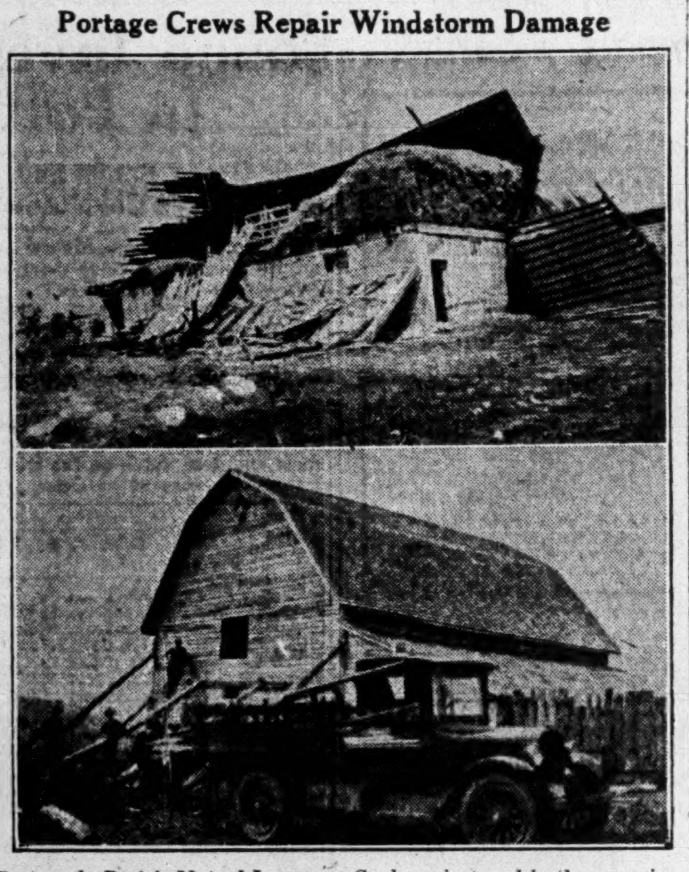
In October in each of the three years which constitute the lifetime of the note, he is liable to an assessment which under no circumstances can exceed the amount of the note, or, in this case, $20.

The average annual assessment of the Portage la Prairie Mutual Insurance Co. in its 48 years of existence has been less than 19 per cent which means for the three year period, the average insurer has paid less than 57 per cent of his $20 note or (in terms of the above example) $11.50 per thousand of insurance. The rate has varied from 5 to 35 per cent, the latter having been charged in only one year, namely the year in which the million dollar cyclone devastated the area in which the company operates and on which losses were paid in full.

For the past nine years the assessment each year has been 25 per cent of the face value of the note, and in spite of lowered farm purchasing power due to poor crops and prices, the company even in 1930 and 1931 had collected over 80 per cent of its assessments by the end of the fiscal year, Dec. 31. If any farmer fails to pay his assessment after the 30 days of grace allowed, his policy is immediately null and void by law and not reinstated until the premium is paid.

As far as Portage la Prairie Mutual Insurance Co. is concerned its premium note business is confined entirely to Manitoba farm risks and in no other provinces does the company write any business except on a strictly cash, non-assessable basis.

Portage Crews Repair Windstorm Damage



Portage la Prairie Mutual Insurance Co. has pioneered in the organization of a repair department as an integral part of its business. The above pictures show the type of hazard created by prairie cyclones and a finished job nearing completion with one of the company's repair trucks in the foreground.

Portage Cash Assets Show Steady Increase

Cash assets of Portage la Prairie Mutual Insurance Co. have shown a steady growth in recent years.

The following table shows that since 1924 these assets have trebled in amount. Of the 1931 total, $521,490 is invested in high-grade bonds.

The figures are as follows:

1924	$239,845.00
1925	269,153.00
1926	373,802.00
1927	454,678.00
1928	505,648.00
1929	545,555.00
1930	602,167.00
1931	639,023.25

'22 Cyclone Gave Mutual Bitter Test

One doesn't need to be an old-timer to remember the famous cyclone of '22 which swept with devastating results across the central portion of Manitoba.

The total loss was estimated at over $1,000,000 and the windstorm cut a swath forty miles wide in some places and 180 miles long. It started near Basswood and Newdale some 75 miles north of Brandon and swept down through Minnedosa in a southeasterly direction to Portage la Prairie thence it widened out and wore itself out down toward the United States border.

Strangely enough the cyclone proved one of the best advertisements the Portage la Prairie Mutual could have had for it hit at the very heart of the territory covered by this company which at that time was a purely Manitoba organization and 99 per cent of the windstorm losses on the Portage plains, in that year, were paid by the Portage Mutual.

What happened? Instead of wiping out the company as its critics freely predicted would happen, the company paid 898 claims by only raising its assessment in one year, and came back in 1923 and paid another 522 windstorm claims when a smaller cyclone hit the same territory again.

Thus the Portage Mutual company became famous almost overnight as a financially sound organization, which almost single handed met what reached in many ways the seriousness of that dread of all fire insurance companies—the conflagration hazard.

Portage la Prairie Mutual Gives Reasons For Success

Why has The Portage la Prairie Mutual achieved success in Manitoba and why is it expanding its activities to six of the nine Canadian provinces and to several casualty lines in addition to mercantile and commercial fire risks?

These are logical questions to ask of a company which has followed along a certain rigid path of development for over 46 years.

Officials of the company state that as far as their history in Manitoba is concerned their success has been due to ability to maintain close, personal contact with the territory and in this way not only to select their business carefully but what is perhaps more important, look after it once it is on their books. Added to that the company prides itself on its agency force built up in this territory over a long period of years, since approximately 70 per cent of the company's agents write business only for Portage la Prairie and have been connected with the company for a great many years.

Agency Organization

The company also prides itself on a unique feature of its agency organization, namely an agency association which was formed in 1923 and which meets regularly at least once a year to discuss common problems, and to receive instruction, with a view to developing better underwriting methods which will not only improve the agents' earning power but also react favorably as far as the company's loss ratio is concerned.

Also the company has always carried on a vigorous fire prevention campaign among its policyholders which has also resulted in very definite results as far as reducing losses are concerned. A final reason is a competent inspection system carried on through the company's own paid inspectors, which together with the other features in the company's organization has combined to give a very satisfactory loss ratio over a long period of years.

Broadening Activities

As to the reasons for its expansion the company believes that having made a success of what is admittedly one of the most difficult fields in the insurance business—namely farm risks—that by applying similar principles of underwriting and agency organization it can be equally successful in other lines of insurance. Accordingly it obtained a federal charter in 1930 and has now expanded into five other provinces where it is writing fire, automobile and a few allied lines of casualty business.

In order to safeguard itself in the early years of this expansion programme, the company has entered into a special reinsurance contract with Lloyds which will enable it to reinsure approximately 50 per cent of its cash business on normal risks and an even heavier percentage of more than normal risks, a policy which is in line with the company's conservative practice of carrying on its business.

Furthermore such a policy of expansion is little more than another step in the evolution of many enterprising fire insurance organizations, for originally the company wrote nothing but farm dwellings and properties. Subsequently this was broadened to include schools and churches in the rural communities. Then as former policyholders moved into towns and villages the company commenced writing dwellings and schools and similar properties in these municipalities. The final step was to commence operations outside Manitoba, and to expand its organization to underwrite all types of risks.

Repair Crew Saves Money For Portage

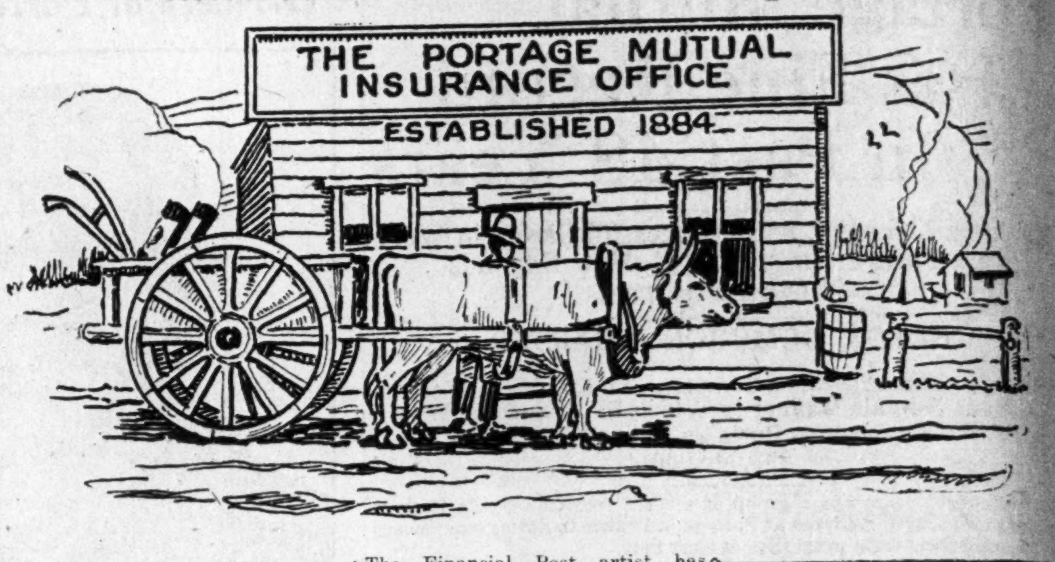
One feature of its organization of which Portage Mutual is particularly proud is its repair department.

For many years the company pioneered in the plan of maintaining its own repair crew and equipment so that many losses which occurred through windstorm damage could be immediately repaired at a minimum of expense by trained men using the company's own special equipment.

Then came the Manitoba cyclone of 1922 and the need and value of such an organization as an adjunct of a farm mutual insurance company was doubly proven since the company had to meet 898 claims for windstorm damage alone. Again in 1923, 522 claims of this nature were handled by a minor cyclone affecting the territory served by the company.

From this time on, this branch of the company's service became considerably more important and as many as 25 or 30 men are employed in the summer as occasion demands, and all manner of jobs resulting from losses to company policyholders are tackled. Barns are rebuilt, houses raised and thousands of dollars saved by this unique development in the insurance business.

When Buffalo Roamed the Portage Plains


THE PORTAGE MUTUAL INSURANCE OFFICE
ESTABLISHED 1884

The Financial Post artist has penned the above sketch of the original office of the Portage la Prairie Mutual as it looked 48 years ago. The Portage was the first insurance company to be incorporated in the Canadian West.

EST. 1884

FORTY-EIGHTH ANNUAL REPORT

The Portage la Prairie Mutual Insurance Company

Features of 1931 Business

FIRE BRANCH

Policies Issued, 1931	$42,610,592.00
Total Business in Force	92,690,691.00
Increase in Business in Force	18,970,325.00

CASUALTY BRANCH

Gross Premiums Written	$ 156,360.72
Ratio of Losses to Earned Premiums	30.83%

Total Premiums Written	**$ 696,250.61**
Total Loss Claims Paid	**223,485.46**

ASSETS		LIABILITIES	
Cash on hand and in banks	$100,189.36	Reserve for Government Taxes	$ 1,500.00
Bonds and Debentures	521,490.67	Reserve for Cash Premiums	116,906.79
Interest Accrued	8,946.81	Reserve for Unlicensed Companies	32,401.38
Manitoba Premiums Due	64,327.64	Losses Unadjusted	27,576.65
Agents Balances	97,736.63	**Surplus Cash Assets**	**$639,023.25**
Office Furniture	6,100.00		
Office Building and Garage	7,112.85		
Trucks and Automobiles	6,000.00		
Reinsurance Receivable	5,504.11		
	$817,408.07		$817,408.07

Total Surplus Assets . $1,446,771.42

(Including $807,748.17 of Unassessed Premium Notes on Manitoba Business Only)

Gentlemen:—

I have examined the books and accounts of the Company continuously throughout the year, and this report does, in my opinion, accurately show the position of the Company on December 31st, 1931.

The books have been thoroughly checked and balanced, all cash premiums have been traced to the policy register; cash on hand and in the Banks has been verified.

All securities, bonds, etc., are in your deposit box or on deposit with the Superintendent of Insurance, and are shown at Dominion Government valuation. All of which is respectfully submitted.

C. D. CORBOULD, C.A.

OFFICERS:

E. H. MUIR, President
M. G. TIDSBURY, Vice President
STRATTON WHITAKER, Managing-Director
A. H. THORPE, Treasurer

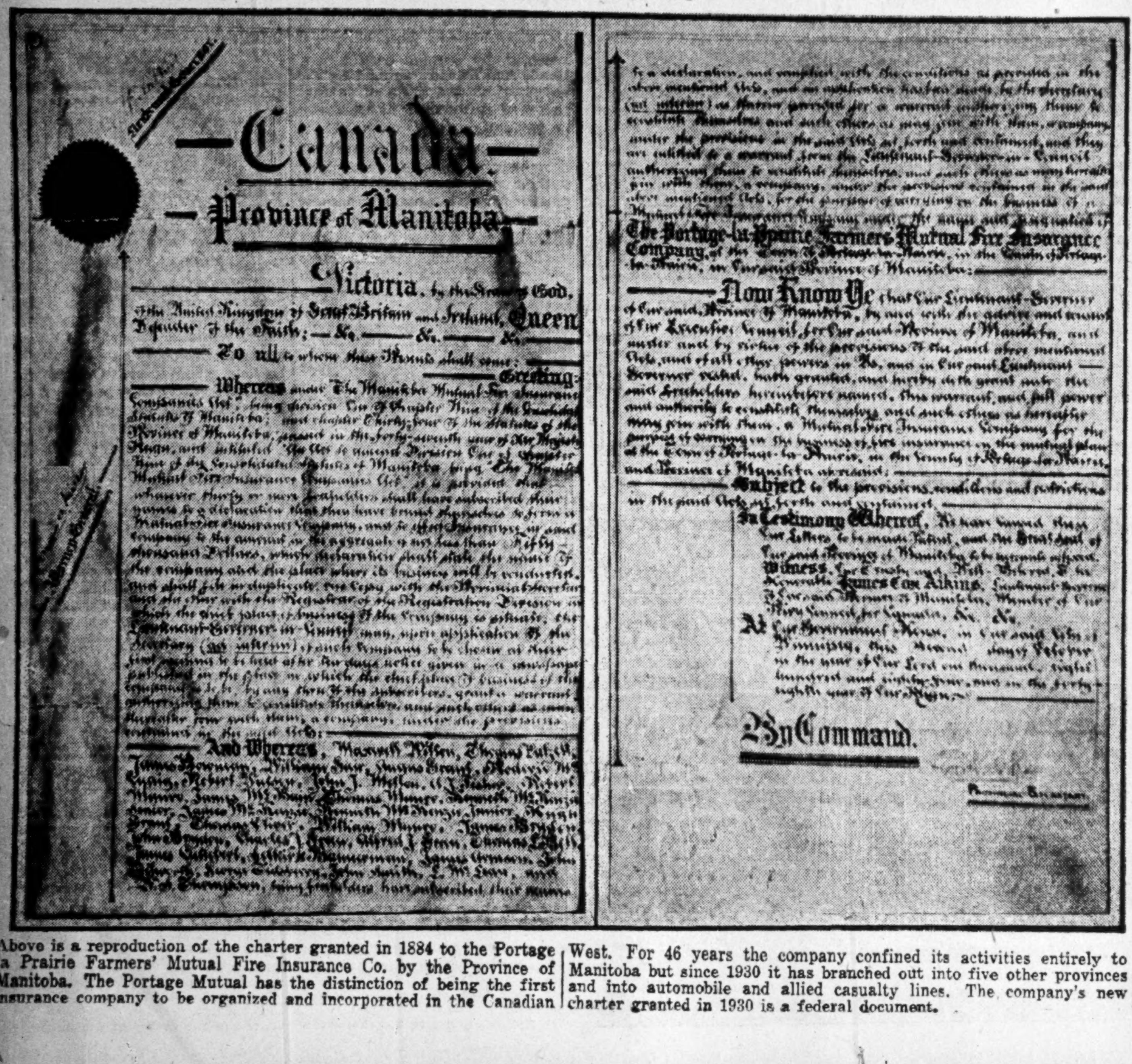
DIRECTORS:

E. H. MUIR, M. G. TIDSBURY, P. D. McARTHUR, JAMES McKENZIE,
JOS. W. YUILL, JOS. TRIMBLE, ROBT. McDERMOTT, STRATTON WHITAKER,
A. B. CURRIE

"This Company operates under the Dominion Insurance Act, and is subject to annual inspection by Dominion Government Officials."

A Purely Canadian Company Operating in Canada for Canadians

Charter of First Insurance Company in Canadian West



—Canada—
—Province of Manitoba—
Victoria, by the Grace of God,
Now Know Ye
By Command.

Above is a reproduction of the charter granted in 1884 to the Portage la Prairie Farmers' Mutual Fire Insurance Co. by the Province of Manitoba. The Portage Mutual has the distinction of being the first insurance company to be organized and incorporated in the Canadian West. For 46 years the company confined its activities entirely to Manitoba but since 1930 it has branched out into five other provinces and into automobile and allied casualty lines. The company's new charter granted in 1930 is a federal document.

A. H. THORPE
Treasurer

E. H. MUIR
President

STRATTON WHITAKER
Managing Director

M. G. TIDSBURY
Vice-President

Business in Force $92,690,000,000

THE PORTAGE MUTUAL INSURANCE CO.

MUTUAL SERVICE WITH SECURITY

Surplus Cash Assets $639,023

Total Assets $1,625,156

Established 1884

AFTER 48 years of Successful Operation in Western Canada, The Portage La Prairie Mutual Insurance Co. (the oldest insurance company in the Canadian West) now offers a sound, conservative insurance service to residents and business concerns in Ontario, British Columbia, Saskatchewan, Alberta and Quebec Province. Lines covered include Fire, Automobile, Plate Glass, Burglary, Windstorm and Sprinkler Leakage.

During two decades we have saved millions of dollars for our policy holders in Manitoba. We now extend a similar service on a strictly non-assessable cash basis, to insurers in five other provinces. We solicit your enquiries.

"This Company operates under the Dominion Insurance Act, and is subject to annual inspection by Dominion Government Officials."

The
Portage La Prairie
Insurance Mutual Company

HEAD OFFICE:
PORTAGE LA PRAIRIE, MANITOBA

TORONTO
A. E. WETMORE
Branch Manager

VANCOUVER
H. R. LUMBY
Branch Manager

EDMONTON
H. R. PETERSON
Branch Manager

MONTREAL
R. E. SCHOFIELD
Central Fire Office Inc.

HONEY DEW SALES DROP IN VOLUME; COSTS REDUCED

Common Shares Earn 39c as Compared With 49c in 1930

FIXED ASSETS UP

Plan Sale of Product Through Outside Outlets; Adapt Food to Local Demand

Honey Dew Ltd. earned 39 cents per share on the 108,500 common shares of common stock outstanding in 1931 as compared with 49 cents per share in 1930, after meeting all prior charges including regular dividends on the preferred stock and increased taxes. Gross sales dropped to $1,312,826 from $1,479,989 shown in 1930 but operating expenses were reduced to $1,076,667 from $1,243,008 the previous year and operating profit at $236,159 was at the 1930 level.

Subsidiaries of the company met with varied success with Honey Dew Western Ltd. doing well in Vancouver but poorly in Winnipeg. Expansion in Vancouver is contemplated. Honey Dew Inc. of Illinois, in which Honey Dew Ltd. had controlling interest in the common stock, went into liquidation and all units but one were closed out. The remaining store has been purchased and is to be used as a centre for a number of outside selling points. Honey Dew Inc., operating in Pennsylvania and New York, experienced smaller sales and as in the case of other units foods sold will be more closely adapted to local requirements. Sale of Honey Dew through various outlets will be tried out during 1932.

The income and surplus account of the company for 1931 and 1930 is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ending Dec. 31

	1931	1930
	$	$
Gross sales	1,312,826	1,479,989
Less: Oper. expense	1,076,667	*1,243,008
Oper. profit	236,159	236,981
Add: Int. earned	1,727	11,913
Net earnings	237,886	248,894
Less: Depreciation	73,852	76,517
Res. for income tax	16,250	13,700
Net profits	147,784	158,677
Less appropriations:		
Dividends on pref.	105,000	105,000
Surplus for period	42,784	53,677
Add: Prev. surplus	160,468	106,713
Adj. of income tax	3,338	78
Bal. carried forward	199,914	160,468

*Includes interest paid on U. S. rights amounting to $19,672.

Current assets are down to $124,767 from $145,513 shown in 1930, while current liabilities amount to $294,783 including $200,000 which comes due in installments from Jan. 15, 1932, to Aug. 1, 1933, in payment for United States rights. Including these payments the company has a deficiency of working capital. Current assets include $76,149 in cash compared with $86,998 shown in 1930; accounts receivable are up to $3,560 while inventories have been reduced to $45,058 from $56,015. Current liabilities include accounts payable of $52,283; preferred dividend payable, $26,250; reserve for income taxes, $16,250 and balance owing on U. S. rights, $200,000.

In addition to current assets the balance sheet shows an investment of $23,605 invested in Dominion guaranteed bonds which are pledged as security for a $15,000 bank loan to Honey Dew Sandwich Shop, Inc. Investments in and advances to subsidiary companies total $272,854 as against $223,983 in 1930, chief change being increase in advances to Honey Dew Inc. to $163,596 from $133,520 and in advances to Honey Dew Western Ltd. to $59,256 from $40,461. Investment in 1,000 shares of Honey Dew Inc. is carried at cost of $50,000 as in 1930 while 72,901 shares of Honey Dew Western Inc. is carried at $1. No provision has been made for depreciation of such investments and advances. Holding of 7,501 shares of Honey Dew Inc. of Illinois, shown at $1 in 1930, is not shown in 1931.

Deferred charges have been reduced to $11,683 from $13,759. Fixed assets, before depreciation, are shown at $601,168 as compared with $547,789 in 1930. Reserve for depreciation has been increased to $254,574 from $180,721 leaving net value of fixed assets at $346,594 against $223,983 the previous year. Goodwill, organization expense, etc., is valued at $723,693 and United States rights at $600,000. Capital stock outstanding remains unchanged with 15,000 shares of no par value preferred carried at $1,500,000 and 108,500 shares of no par value carried at $108,500. Surplus, as previously shown is up to $199,914 from $160,468.

INSURER WINS CONTESTED CLAIM

In September, 1931, a Montreal citizen took out an insurance policy for $1,000 against fire loss. Subsequently, the property was destroyed by fire, but the company contested the claim, asking the court to declare the policy null and void because at the time the policy was issued the insurer was not the owner of the property.

This was the substance of a case tried recently in the Superior Court of Montreal. The judgment went in favor of the insurer.

In submitting its case, the company held that in securing the policy the insurer had not specified the nature of her interest in the property and therefore asked that it be declared void.

Both Have Obligation

Their plea was lost, however, the judge holding that "the obligation of the insured to declare the nature of his interest is no more stringent than the obligation of the insurer to declare the nature of such interest in the policy. The company might have tried to know the nature of the insured interest, before issuing the policy. Having issued it without asking for particulars, it cannot now ask that the policy be declared null through its own negligence."

As the insurer later became the owner of the property in that she had loaned $1,000 to the owner of the house and it had later been hypothecated in her favor to secure the debt and subsequently passed into her hands, the judge held that the only difference had the plaintiff declared the nature of her interest, if asked to do so, would have been to lower the premium until the day when the plaintiff became the absolute owner.

Insurance for Buyer and Seller

PREMIUM INCOME CANADIAN FIRE INCREASED IN '31

Loss Ratio 54 Per Cent as Against 51 Per Cent in 1930

An increase of premium income due in part to revision of reinsurance treaties which enable the company to retain a larger percentage of desirable business, is reported for 1931 by Canadian Fire Insurance Co. of Winnipeg. Net premium income totalled $930,187 as compared with $742,355 a year ago.

The company reports that in the states of California, Washington, and Oregon fire premiums increased by $28,705 and automobile premiums by $93,279. Premiums on miscellaneous classes of business in Canada and the United States were higher by $4,696, while hail premiums dropped $26,619 from the $33,072 figures of a year ago.

Ratio of losses to premiums earned on the various classes of insurance written was slightly higher, the total for all classes being 53.79 per cent as compared with 50.69 per cent a year ago. Individual loss ratios were as follows: fire—15.7 per cent; automobile—51.1 per cent; hail—22.81 per cent and miscellaneous—15.5 per cent.

Ratio of expenses, excluding government taxes and fees was 42.4 per cent of net premiums written, the total expense ratio including 3 per cent for government fees and taxes being 45.4 per cent as compared with 46.2 per cent a year ago.

Analysis of income and expenditure accounts reveals that premium income fell short by $33,260 of meeting claims, management expenses, reinsurance and premium reserve requirements which totalled $1,130,477. This included $99,934 as an addition to unearned premium reserve due to the large increase in premiums written. Accordingly after paying the regular disbursement to shareholders of 8 per cent plus a 2 per cent bonus, and after writing off $12,500 for depreciation in value of securities, the company carried forward a surplus at the end of the year of $604,225 as compared with $657,871 at the end of 1930.

Total assets are shown at $2,589,071 as compared with $2,613,506 a year ago the chief item being bonds, mortgages and stocks valued at $1,098,926. Guaranteed investments (first mortgage collateral) total $840,000, while net balance due by agents and reinsuring companies shows a substantial increase at $139,430 as compared with $9,875 a year ago.

Western Life Shows Increase in Surplus

Western Life of Winnipeg reports total business in force of approximately $9,000,000 at the end of 1931 and gross premium income of $216,105 as compared with $236,106 a year ago. No figures are given as to the volume of business written during 1931.

Total assets are shown at $1,789,398 of which $760,918 is in mortgages practically all of which are placed on property in the city of Winnipeg. Bonds and debentures shown at their book value are valued at $439,623. Among liabilities, bank loans are higher at $181,600 as compared with $86,600 a year ago, while surplus to policyholders (excluding capital stock paid-up of $136,040) amounts to $127,900. This compares with a similar item of $79,825 a year ago.

Of the company's total business in force, approximately 80 per cent is written on a participating basis the remainder being non-par.

Ordinary Life Insurance*

	1927	1928	1929	1930	1931	1932
January	$36,986,000	$47,569,000	$49,739,000	$45,074,000	$41,188,000	$37,331,000
February	35,525,000	39,962,000	47,140,000	43,925,000	40,180,000	....
March	42,883,000	44,823,000	48,066,000	49,047,000	46,945,000	....
April	41,631,000	46,718,000	51,842,000	51,649,000	45,648,000	....
May	44,553,000	49,581,000	50,547,000	48,871,000	41,314,000	....
June	45,298,000	51,884,000	53,402,000	54,168,000	46,227,000	....
July	39,962,000	49,492,000	54,809,000	46,505,000	39,977,000	....
August	38,360,000	43,503,000	41,329,000	36,249,000	35,738,000	....
Sept.	35,000,000	38,872,000	43,013,000	38,994,000	30,066,000	....
October	48,104,000	55,743,000	50,894,000	44,527,000	36,006,000	....
Nov.	44,935,000	54,865,000	55,624,000	46,186,000	38,860,000	....
Dec.	48,899,000	56,647,000	54,189,000	49,026,000	47,163,000	....
Total, January, 1932						$37,331,000
Total, January, 1931						41,188,000
Decrease, Jan., 1932 from Jan., 1931, 9.3%						$ 3,857,000

*Companies having in force 84 per cent of total outstanding business in Canada as at Jan. 1, 1931. New paid for, ordinary business only. Figures include both Canada and Newfoundland and are prepared by Life Insurance Sales Research Bureau, Hartford, Connecticut.

DOMINION FIRE REPORTS HIGHER PREMIUM INCOME

Surplus Increased Despite Higher Loss Ratio in 1931

Net premium income of $343,657 as compared with $335,576 in 1930 is reported by Dominion Fire Insurance Co. of Toronto in its 24th annual report submitted to shareholders at the company's annual meeting this week. Of the 1931 total, $308,340 was income from fire insurance, $31,811 from automobile and $3,505 from plate glass. Gross premium income was $662,591.

Business conditions throughout Canada were reflected in heavier losses according to Robert F. Massie, president of the company, the ratio being 46.4 per cent and resulting in a net underwriting loss of $6,277. Expenses were also slightly higher being up 1.3 per cent.

Profits accordingly were slightly lower at $32,070 as compared with $40,668 in 1930, this being after all deductions for expenses, taxes and so forth, and after setting up $11,452 as additional reserve on unearned premiums which now amounts to $268,969. From net profits the company paid a usual dividend of 6 per cent but omitted the 1 per cent bonus of last year, and transferred $14,260 to surplus account, which now stands at $280,662.

Total assets at the end of the year are shown at $918,116 of which $687,049 is invested in bonds and bank stocks. Cash on hand or in banks is $63,756 as compared with $39,651 a year ago while mortgages total $73,623. The company reports that all securities are carried at the valuations allowed by the federal government, actual market values being $75,273 less. Against this there is a reserve of $16,259 so that if necessary the company was prepared to use actual market values as at December 31, 1931, and still have a net surplus of $221,647.

Insurance Inklings

ONTARIO INSURANCE ADJUSTERS' ASSOCIATION recently entertained the managers of various Ontario casualty and fire insurance companies at a banquet in Toronto.

Licenses Issued

County Fire Insurance Co. of Philadelphia, has been granted a license in Alberta to transact fire, automobile, explosion, earthquake, sprinkler leakage, tornado, and inland transportation insurance, as from November 17, 1931.

Portage la Prairie Mutual Insurance Co. has been granted a license in Alberta to transact fire, automobile, plate-glass. burglary, tornado,

ONTARIO MAYOR THINKS FIRE RATE KEEPS TOO HIGH

Owen Sound Council Hears Argument for Lower Premiums

That Owen Sound was entitled to a lower rate on its fire insurance than it is now receiving was the argument advanced by Mayor T. W. Thomson in a lengthy discussion of the fire insurance situation in that city, before the city council recently.

In the period from 1919 to 1932, according to Mayor Thomson, the average fire loss in Owen Sound has been $37,000 a year. This, the mayor points out, is much less than the amount of premium paid by property holders on the main street. The loss in 1931 was $40,675. In the period under review the city has had several large fires two of which occurred in 1932 with a fire loss of $203,800. Mayor Thomson also stated that it was understood some years ago, that if the city increased its water service and put in a high pressure system it would receive a big reduction in rate. Such a reduction, it is stated, has never been received.

Loss $1.43 Per Capita

The federal insurance blue book for 1931 shows Owen Sound with a per capita loss in 1930 of $1.43, in 1929 of $3.92 and in 1928, $1.06, in 1930, according to this report, there were 11 cities of this size or larger with a smaller ratio in 1930.

The substance of Mayor Thomson's remarks are as follows:

"In 1932 our fire loss was $203,800. Included in this is the immense fire at the North American Bent Chair Co. and the W. T. Harris Co. Ltd. These two major fires are exceptional, especially the two in one year; but taking this into consideration, for the past 13 years—or from 1919 to 1932—our average fire loss is $37,000.

"My contention is this: This average fire loss is much more than overpaid by the premiums paid by the merchants and property holders on main street only. Where does the rest of the money go?

"Some years ago we were given to understand that, if we increased our water service and put in high pressure system in No. 1 area, we should receive a big reduction in our rates. Owen Sound at that time spent in the neighborhood of $125,000 increasing our water mains and erecting a large reservoir on the hill. We are still looking for our substantial reduction.

"With these facts before us it is my opinion that the underwriters should be asked for a substantial reduction in our insurance rates, or that we should consider a move to have our insurance carried by the municipality."

INSURANCE SALES LOWER IN JANUARY

January Total Placed at $37,331,000 By Sales Bureau

Sales of ordinary life insurance in January came within 9.3 per cent of the corresponding figure for January, 1931, according to figures prepared by the Sales Research Bureau of Hartford and covering paid for business of 15 companies having in force 84 per cent of the Canadian total.

The January figure was $37,331,000 while the corresponding figure for a year ago was $41,188,000. In the United States January sales are reported as 6.4 per cent this year than a year ago.

Two Provinces Gain

By provinces, analysis shows that Nova Scotia and Quebec were the only areas to show increases for the month as compared with a year ago.

Details by provinces are as follows:

Ordinary Life Sales By Provinces

	Jan., 1931	Jan., 1930
Alberta	$1,737,000	$2,098,000
Br. Columbia	1,968,000	2,416,000
Manitoba	2,006,000	2,242,000
New Brunswick	925,000	1,022,000
Nova Scotia	1,150,000	969,000
Ontario	16,537,000	19,154,000
P. E. I.	132,000	157,000
Quebec	11,167,000	10,851,000
Sask.	1,460,000	1,907,000
Newfoundland	249,000	372,000
	$37,331,000	$41,188,000

New Agency Association for Mutual Life

Elected by ballot from the agency force of the Mutual Life Assurance Co. of Canada, these five men form the executive of a new agency association formed recently by this company. These men will act as interpreters of agency matters to head office and will be an agency advisory body on matters of company policy. The company's agency superintendent will represent the company on the committee. Left to right they are: Upper row—J. M. Heale, Toronto; F. H. McLean, Toronto, chairman; J. G. Taylor, Toronto. Below—W. M. O. Lochead, Kitchener, and M. Milne Todd, Galt.

Insurance Discussed By B.N.A. Fathers

That the "business of insurance" was actually discussed by fathers of Confederation when they framed the Canadian constitution is a point little known by those who have been following the recent jurisdiction conflict in regard to this important field.

The general impression is that the framers of the B. N. A. Act overlooked insurance altogether at this important point in Canada's history, but the actual facts of the case as presented by B. Arthur Dugal, superintendent of insurance for Quebec Province in his remarks as president-elect of the Association of Provincial Insurance Superintendents of Canada, are as follows:

"There is an interesting sidelight bearing upon the fifty-year-old controversy between the Dominion and the provinces respecting insurance which has never received public notice. It is sometimes asserted that when the Fathers of Confederation framed the Canadian constitution the subject of insurance was overlooked or, alternatively, that they thought the jurisdiction would belong to the Dominion. Both views are erroneous. It is clear from Pope's Confederation Documents (Carswell, 1895) that the subject was considered at the conference in Quebec in 1864 and the jurisdiction intended to be given to the provinces.

"The original list of subjects proposed near the opening of the conference to be assigned to the federal jurisdiction did not mention insurance (page 22). The report adopted at the conclusion of the conference did not mention insurance (page 44). During the conference, however, the Hon. Mr. Mowat moved a series of resolutions respecting the powers of the 'general legislature,' the first of which reads in part as follows: '1. It shall be competent for the general legislature to pass laws respecting—(1) the Indians; (2) ferries, etc.; (3) for the regulation and incorporation of fire and life insurance companies; (4) respecting Savings Banks' (pp. 30-31).

"The debate upon these resolutions is not reported fully, certain items merely being noted as struck out and others as amended. With respect to the insurance item the minutes read: "It was agreed to strike out of item No. 1 of the resolution moved by the Hon. Mr. Mowat the words '(3) for the regulation and incorporation of fire and life insurance companies'" (page 88).

"The subject matter of insurance was not expressly mentioned elsewhere or in any subsequent draft of the British North America Act."

NEW BOOKS

"5,000 Facts About Canada"

The new 1932 edition of "Five Thousand Facts About Canada" contains some new data, including the latest census returns of cities and towns over 10,000 population. Frank Yeigh, who has compiled this volume for many years, has again done a useful job in putting in very brief and concise form most of the essential facts about the Dominion of Canada.

An interesting feature is two or three pages of encouraging facts for study at the present moment. Copies are available at 35c each or 3 for $1 from the Canadian Facts Publishing Company, 588 Huron Street, Toronto.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

National Life

I hold some shares of National Life Assurance Co. and would like to know if a special dividend has been paid in addition to the regular disbursement this year. Is there a likelihood of a stock bonus being distributed to shareholders, and do you think the Prudential may absorb the company? How did the company fare with regard to its investments last year?

Though the regular dividend on paid-up capital stock of National Life has been paid to date, we have no information as yet as to whether the special dividend of five per cent, which was paid in January, 1931, will be paid this year. There seems no likelihood of a stock bonus at the present time, since the company has had a difficult year with its investments in common with other companies. Free surplus over and above capital stock now stands at $374,000 compared with $434,000 a year ago. At the end of 1930, the proportion of this surplus held at the credit of non-participating accounts, and therefore available for distribution to shareholders was approximately $93,000.

National Life was affected during 1931 through the decline in value of its foreign and municipal bonds, but no complete information is available since the company shows its investments at book values, and sets up a reserve against this on the liabilities side of the balance sheet. Reserve thus set up in 1931 was $200,000 but the company's auditors signed the statement subject to the reservations as to whether or not this was an adequate reserve.

The company is writing a fair volume of business, but it seems unlikely that anything spectacular will happen to it or its stock in the next few years. Denials have been published in The Financial Post that Prudential might buy the National Life; as you know, Prudential now has its own organization in Canada.

Pilot Insurance Reports Higher Premium Income

Net premiums written of $614,754 during 1931 as compared with $572,153 in 1930 and $396,193 in 1929, are reported by Pilot Insurance Co. in its latest annual report. Of the 1931 total approximately 80 per cent is understood to be premiums on automobile insurance. Loss ratio on all lines shows an increase of about 2 per cent at 52 per cent.

Surplus increased during the year by $5,600, bringing the total at the end of the year, (exclusive of paid-up capital of $269,930) to $59,668.

Total assets are $639,144 of which $506,907 is represented by bonds and debentures at amortized book values.

Home Assurance Elects Officers

At the recent annual meeting of the Home Assurance Co. of Canada, whose headquarters are in Calgary, Alberta, F. A. Ogilvie was re-elected president and general manager. Other officers elected were A. Corrie, vice-president; Dr. W. D. Dixson, medical director; G. A. Wilson, secretary-treasurer.

FIRE LOSS LOWER IN ONTARIO IN 1931

But Number of Fires Up — Barns and Dwellings Show Gains

Ontario had 15,121 fires during 1931 with a total loss of $15,416,681 as compared with 14,323 fires with a loss of $16,145,538 in 1930, according to twelve months' figures published by the Ontario Fire Marshal.

The increase in number of fires is approximately 5.6 per cent, due to a substantial jump in the number of fires in barns and dwellings. Total loss is lower by approximately 4 per cent. The proportion of loss covered by insurance is not as high as in 1930. The percentage was 80 per cent in 1931 as against 84 per cent a year ago.

Ontario Fire Losses
Four Leading Classes of Risk

	No.		Fire Loss*	
	1931	1930	1931	1930
Barns	1,143	914	$2,785	$2,232
Dwellings	10,559	10,074	3,296	3,266
Stores	1,226	1,245	2,780	2,808
Factories	373	425	2,297	3,515

*000's omitted.

Albert C. Hall Appointed to Ocean Accident Post

Albert C. Hall has been appointed manager for Canada and Newfoundland for the Ocean Accident and Guarantee Corp., succeeding the late J. A. Mingay.

Mr. Hall has been with the company since 1900 having served the company as inspector at the company's city branch, London, England, and subsequently as manager for the east with headquarters at Singapore. Since January 1, 1928, he has been manager of the company's West End branch in London, Eng.

Mr. Hall is expected to arrive in Canada next week.

Weather Mutual Reports Increased Business, 1931

A substantial increase in insurance carried during 1931 was reported by the Western Farmers' Weather Insurance Mutual Co. of Woodstock at its annual meeting held recently. The company now has $19,594,000 of business in force at the present time. The low purchasing power of farmers was met by issuing short term notes for four or six months in lieu of notes.

James Connelley of Goderich was elected president of the company for 1932.

● ADEQUATELY Protect Your Family

CHARTERED TRUST AND EXECUTOR COMPANY

● knows whereof it speaks when it advises you, in your Will, to name a Trust Company Executor thereof and Trustee thereunder. Modern requirements pertaining to estates demand that such advice be heeded in order to adequately protect your family.

Chartered Trust and Executor Company suggests that it avails a man but little to create an estate for his family during his lifetime if it is dissipated by inefficient management after his death.

CHARTERED TRUST AND
EXECUTOR COMPANY
34 King St. West, Toronto 2
132 St. James St. West, Montreal, Que.

President:
JAMES Y. MURDOCH, K.C.
Vice-Presidents:
W. S. MORDEN, K.C. JOHN J. GIBSON and Gen. Mgr.
Secretary: E. W. McNEILL

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia

FIRE AUTOMOBILE WINDSTORM
Insurance in force over $200,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Reserves—$36,827,055.00 Surplus—$2,680,759.27

Independent Order of Foresters

FRANK E. HAND, Supreme Chief Ranger HEAD OFFICE: TORONTO, CAN.

SECURITY!

From a mad race for PROFIT the world has returned with a passion for SECURITY.

It is this that explains the hoarding of money in safety deposit vaults, in socks, under mattresses.

Life Insurance gives all the security of hoarding. In Canada, no policyholder has ever lost a dollar through life insurance. During the sixty years of its existence, the Sun Life Assurance Company of Canada has paid every legitimate claim fully and promptly. Nowhere is money more secure than in life insurance.

And unlike hoarded gold, the funds of life insurance are invested in public utilities, great industries and other enterprises through whose co-operation community business is being carried on, thus hastening the return of good times.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $5,010,673.96
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

Strength Maintained!
—during 1931

New Business Issued	$ 1,562,869.00
Business Now in Force	10,385,429.00
Assets	2,197,079.00
Surplus and Special Funds	427,078.00

$147,048.00
Set Aside for
DIVIDENDS to
POLICY HOLDERS

Growth of Company

	Assets	Interest and Premium Receipts	Insurance in Force	Surplus and Special Funds
1917	$ 204,423.00	$ 81,888.00	$ 2,315,306.00	$ 22,357.00
1924	848,909.00	270,227.00	6,844,173.00	122,987.00
1931	2,197,079.00	383,051.00	10,385,429.00	427,078.00

"Growing With the West"

SASKATCHEWAN
INSURANCE LIFE COMPANY
CHAS. WILLOUGHBY, President
M. B. FARR, General Manager
Head Office: REGINA, SASK.

Is Their Happiness worth 51¢ a day to you?

MAIL THIS COUPON
The Great-West Life Assurance Co.,
Winnipeg, Man.
Without obligation, please mail complete details of your Minimum Cost Policy.
Name........
Address........
Dept. A67-A

Just try to figure out what would happen to them if they were suddenly deprived of your support. How long could they stave off actual want? Can you afford to take chances with their future when you can positively guarantee their safety for as little as 51c a day? If you are under 35 years of age it will cost even less, for 51c a day is the rate a man age 35 would pay on a $10,000 Great-West Minimum Cost Policy—the cheapest form of permanent life insurance you can buy.

The Great-West Minimum Cost Policy

enables you to obtain the greatest possible amount of permanent protection for your family for the least money. Lift all worry from your shoulders and theirs. Mail the coupon now.

Premium Rates per $1,000 of Insurance

Age	Premium	Age	Premium
25	13.80	40	$22.35
30	15.80	45	27.50
35	18.55	50	34.40

THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE - - - WINNIPEG

Current Events in Banking World

PENALTY IS $50 IF CHEQUE ISSUED MINUS 2c STAMP

Department States Many Unstamped Cheques Going Through

It is probably not commonly known that there is a penalty of $50 maximum provided by law for the party who presents to a bank a cheque for an amount exceeding $5 which does not bear the necessary two-cent excise or postage stamp. And, furthermore, with a view to curtailing the large and increasing number of unstamped cheques which are going through the Department of National Revenue is threatening to take action in the matter.

While the onus of placing the stamp upon a cheque primarily rests upon the issuer, under the Special War Revenue Act, it is apparent that the payee or person cashing or depositing the cheque is the person chiefly exposed to the risk of penalty, for the reason that no taxable transaction has occurred until the cheque is passed through a bank. At any rate, if the payee has been careless enough to accept an unstamped cheque it would appear that all further responsibility rests with him since he is presumably willingly assuming the tax.

Nice Points Involved

It is a question just how "willingly" he accepts this onus. In most cases the expense of returning the cheque to the issuer would exceed the amount of the stamp in addition to which such action would, as between buyers and sellers, endanger the creditor's relations with his customer from the point of view of getting further business.

It is an interesting conjecture, however, as to what the position would be of a drawee presenting a cheque minus a stamp who was fined the $50 penalty and then sought to recover the amount from the issuer. No such case is on record, indeed, it is believed that no case of any legal action whatever under the act is on record, since it is proable that the watchfulness of the banks has been effective in safeguarding their customers' interests by supplying missing stamps and debiting accounts therefor.

More importance attached to the situation when the cheque tax was applied according to the size of the cheque, and undoubtedly the matter was subject to closer supervision then by both payees and banks. The amount of scrutiny and checking necessary is largely reduced where a flat rate applies to any cheque over $5, as at present, and this would be still further simplified if the tax was made to apply to cheques under this amount also. Such extension of the scope of the act might also curtail the number of small cheques that the banks are called upon to handle at a loss.

Business Failures Heavy in Grocery and Clothing

General stores proved to be the most vulnerable under the strain of the depression during 1931, failures numbering 159 out of a total of 1,102 under the heading of "trade," according to reports received by Dominion Bureau of Statistics under the Bankruptcy and Wind-Up Acts. Clothing establishments were second with 122 assignments and grocery stores third with 100.

Vegetable foods manufacturers headed the list under "manufacture," and clothing makers were second, with failures numbering 79 and 72 respectively. Agriculture reported 125 assignments.

Answers Journal's Attack On Branch Bank System

Discerns Hidden Meaning in "Sympathetic Local Hands" of Unit Banking

By C. PAYELL

Could the American Banker's recent editorial, quoted in The Financial Post of January 30, 1932, have been written for the comfort of the "sympathetic local hands" it refers to, or was it intended for the consumption of the unit bank system's countless victims? It is unlikely in the extreme that the American Banker is read by many of the unit banks' patrons, otherwise it is more than probable that the editorial would have contained a word of sympathy for the thousands of depositors whose funds are locked up in "frozen assets"—notwithstanding the maintenance by the United States of the gold standard.

Can it be that the handwriting is showing on the wall and that the editorial reflects an effort to stave off the inevitable day of reckoning when Americans seeking a safe depository for their cash will call for the inauguration of a system whereby their hard earned savings will not be "absorbed locally" by well meaning but impecunious borrowers unable to liquidate their loans?

Sympathy Can Go Too Far

The statement that under the branch system "credit administration is taken from sympathetic local hands" reflects one of the unit system's outstanding weaknesses. For, in other words, it is claimed that the borrower reaps the advantage of the bank's knowledge of local conditions. In effect, this means that intimate association with the unit bank's board of directors and officials, makes borrowing easier than it is under the branch system. It can mean nothing else, for a branch manager is just as capable of sympathy, but is bound to temper it with reasonable caution for his own sake. His head office is impartial.

Banking failures in the United States, numbering thousands during the past decade, tell their own story. True, large and powerful banks have grown in the United States under the unit system, but this has been due to efficient direction and in spite of the system. On the other hand, the branch system breeds efficiency and promotes sound practice.

Risks Distributed

Unit banks are exposed to the danger of relying upon local industries for their welfare. In prosperous times the system works well, but when local storms break, failures follow in their wake and the unit bank sinks with the rest. Per contra, the branch system covers a wide area and adverse conditions affecting one locality are of no material ill consequence to the bank as a whole.

The branch system through competent control reduces the risks of loss. It eliminates disproportionate banking risks through the exercise of a clear perspective by reason of the fact that the officials of a bank with many branches have had a more varied experience than men in control of small unit banks. In other words, the branch system can afford to pay the price for the best banking brains.

Managership No Sinecure

It has been said that the branch system has turned the local manager into a mere automaton, but this belief is erroneous. For the individual manager is thrown largely upon his own resources and is held responsible for results subject to the particular policy dictated by the bank's executive officers. His progress in the bank's service depends largely upon the success of his administration. Increases in salary hinge upon profits. Loans make profits. Self-interest stimulates a desire to serve the community and thus the branch bank serves it every whit as efficiently and the management takes just as much interest in the development of the district as does that of the unit bank.

In some cases it is found impossible to make a branch office pay and it is closed without direct monetary loss to the community. In the event of a unit bank closing under similar circumstances, the story is usually quite different and hardship has often been inflicted on depositors and shareholders, to say nothing of the troubles of the borrowers.

Depositor First

To sum up, safe and sane banking, which is more easily attainable under the branch system, places the interests or the safety of the depositor first, looks after the welfare of the bank's shareholders next, then takes care of the borrowing needs of the country. And as the shareholders are chiefly interested in dividends, the interests of the shareholders and the borrowers are one, with obvious limitations. No loans, no dividends.

Furthermore, to paraphrase an old saying, it may be said that if a banker looks after his depositors, the profits will look after themselves. Thus the depositing public are afforded the maximum protection without sacrifice of interests of legitimate borrowing classes or of trade in general. Money flows easily, resulting in an equitable distribution of credit wherever it is required; poor districts are served by strong banks equally as well as the more prosperous parts of the country. The branch system leads to a diversification of risks over a wide area and losses are reduced to a minimum through efficient management.

What Editors Say Of Banks

Praises Banking System

North Shore Press, Vancouver.—The complaint has been heard in normal and prosperous times that the banks of Canada did not at all times extend that accommodation and assistance to deserving business enterprises that might reasonably be expected of them. There may or may not be justification for that criticism but in any case.... Canadians have reason to congratulate themselves that the banking system of Canada has been built upon lines that enables it to measure up so well to the grave responsibilities that it is carrying for the business interests of the Dominion in these trying times.

Moncton Times, N.B.—The Halifax Chronicle has a dispatch telling of a woman at Gabarus, Cape Breton, who walked into the Louisburg branch of one of Canada's nationally incorporated banks and deposited several bundles of time-worn bills of other days. The bills represented the Merchants' Bank of Halifax, the Union Bank of Halifax, the People's Bank of Halifax, the Bank of British North America, and the Merchants' Bank of Prince Edward Island. These fine old institutions, which contributed to the growth of our great banks of today, were absorbed years ago, but the bills were all good and the Gabarus woman was paid dollar for dollar. Whether it is recognized generally or not, Canada's national banks are playing no small part in helping the country to weather the storms besetting our industrial and economic life, and their stability is a tribute to the banking system followed in the Dominion.

Canadian and United States Banks

Saint John Telegraph-Journal.—Referring to the United States, the American Banker notes that "the total number of banks which have been closed throughout the country since the first of the year has reached 2,044, with deposit liabilities estimated at $1,670,970,000." No wonder that the United States sends experts to study the Canadian banking system. Small independent banks may offer readier credit and so supply more abundantly the life-blood of commerce during times of prosperity, but they are very liable to rush to extremes, and after all, the real test of growth is in adversity.

Annual Bank Statements

Le Devoir.—It is the period when the Canadian banks begin the series of their annual general meetings, at which the presidents and directors of those institutions pass in review the year which has just closed. In times of prosperity the speeches of these bankers are usually optimistic. Should months arrive in which there are premonitory signs of crisis, then the bankers adopt a different tone; urging prudence and the adoption of precautionary measures. They preach saving and economy and insist upon the necessity of restraining loans. It is already late in the day. Then the brutal crisis strikes, the inflated balloon of foolish speculation bursts and loan houses, like the bankers, become increasingly wise. They are plentiful of excellent counsels and of observations that no one can dispute. It is the era of examination of financial consciences by the great banks; they beat a maxima culpa on the public chest.

Banker as an Adviser

Sudbury Star, Ont.—Aims of bankers to effect a curtailment in civic spendings are being converged upon many municipalities in Ontario.

According to the press of southern Ontario, the city of Sarnia, generally considered to be in a satisfactory condition, is another municipality to receive word from its bankers that it must "do something" about its finances.

The prerogative of a banker in such a case may be the just cause of dispute, but there is one outstanding certainty, and that is that he enjoys control of the money that is to be lent. and that he naturally feels entitled to make some stipulations with regard to the lending of it. So long as he does not usurp his powers, the banker, in these days of stress, can be of great help in furthering a programme of municipal economy.

Where Depositors Can Sleep

Edmonton Bulletin, Alta.—Whatever is to be said in criticism of Canada's banking system, and a good deal is being said just now that is not justified, it has one essential feature that cannot be challenged, that is particularly conspicuous at the present time, and that still does not get as much recognition as it deserves. Our banks are safe places in which to deposit money.

That is the first and primary function of a bank, to take care of the money that is deposited with it, in order that the owner may get the money when he wants it.

Bank Chat

J. G. MONTGOMERY, formerly manager of the Forest branch of the Bank of Montreal has been appointed manager at Watford, Ont.

J. H. CUMBERLAND took over the managership of the Forest branch of the Bank of Montreal on March 1.

LENNOXVILLE BRANCH of the Bank of Montreal has been closed. MURRAY WALSH, formerly manager of the Lenn branch has been transferred to head office, Montreal.

PHILIP DuMOULIN, manager of the Kingston branch of the Bank of Montreal will shortly retire and will go to Vancouver, B.C., to reside.

VALLEYFIELD, QUE., branch of The Canadian Mank of Commerce was closed on February 13.

A. A. McINTOSH, formerly accountant at the Toronto branch of the Bank of Nova Scotia has been transferred to the office of the general manager.

W. E. STARRAK has been appointed accountant at the Toronto branch, Bank of Nova Scotia.

Join Union Trust Co. Board

M. L. DAVIES

J. HOMER BLACK

Two new appointments to the board of Union Trust Co. were announced at the company's annual meeting recently. Mr. Davies is president of Standard Chemical Co. and Mr. Black is a director of several leading Canadian corporations.

Canadian Banks Show High Liquid Ratios

Analysis of Annual Reports Show Liquid Resources at 53½ Per Cent of Public Liabilities

Liquid position of leading Canadian chartered banks is amply demonstrated by an analysis of the 1931 annual reports by The Financial Post, which shows that the proportion of quick assets to liabilities to the public averages 53.46 per cent. The comparative figures are, quick assets $1,500,384,759 and public liabilities $2,806,491,494. These figures represent the combined totals of the nine chartered banks in which there is a Canadian investment interest. There is no investment interest in Barclays Bank (Canada), the tenth Canadian chartered bank.

The liquid state of Canadian bank assets is further illustrated by the fact that of the combined total assets amounting to over $3,125,000,000 no less than 48 per cent are immediately available, according to the reports of the banks. Since different banks have different methods of computing their immediately available assets, for the purposes of this analysis The Financial Post has applied a uniform measure in arriving at the figure quoted above, details of which are as follows:

Liquid Assets Defined

Provincial, municipal and all current loans, both within the Dominion and abroad, have been excluded, as also have non-current loans, real estate, mortgages, letters of credit, premises, advances to and shares in controlled companies, and small sundry items. The items which are accepted as liquid assets comprise the following: specie, Dominion notes, deposits in central gold reserve, amounts due by foreign banks, notes on and cheques due by other banks, foreign currency, call loans in Canada and abroad, Dominion, provincial, municipal and foreign public securities, railway and other securities, and deposits with the Minister of Finance for circulation fund. All securities are taken at not exceeding market value as at the dates of the various annual statements.

Public liabilities include notes in circulation, deposits and interest, and amounts due to banks in Canada and abroad. In the case of some of the banks there are also shown government advances under the Finance Act, these applying to the Royal with $20,000,000; the Bank of Commerce, $15,000,000; Banque Canadienne Nationale, $8,000,000; and the Provincial Bank, $2,000,000. The latter also includes items due to the Dominion and provincial governments totalling $1,482,630.

Deposits Well Covered

The relation which deposits, savings and demand bear to the total assets is in the proportion of 79 per cent; while over 60 per cent of the deposits are covered by immediately available assets.

Following table shows the relative standing of the nine banks included in this analysis:

TOTAL ASSETS, LIQUID ASSETS AND DEPOSITS OF CANADIAN BANKS

Bank	Year End	Total Assets $	Liquid Assets* $	Liquid to Tot. Assets %	Savings & Dem. Deposits $	Deposits to Tot. Assets %	Liquid Assets to Liabs.† %
Royal	Nov. 30	825,702,437	350,330,551	42.43	647,303,075	78.39	46.68
Montreal	Oct. 31	794,523,334	419,098,617	52.74	656,863,059	82.67	58.34
Commerce	Nov. 30	640,785,420	329,151,947	51.37	499,087,945	77.88	56.81
Nova Scotia	Dec. 31	262,496,455	124,173,744	47.30	203,446,960	77.50	55.07
Nationale	Nov. 30	150,210,247	68,335,426	45.49	116,417,590	77.50	50.31
Imperial	Oct. 31	139,176,622	55,554,476	39.91	108,840,281	78.20	45.09
Dominion	Dec. 31	132,875,079	61,911,381	46.59	105,449,095	79.35	53.28
Toronto	Nov. 30	126,102,579	62,010,965	49.17	100,804,704	79.93	56.12
Provinciale	Nov. 30	53,216,269	29,817,652	56.03	39,681,727	74.56	63.23
All banks		3,125,088,442	1,500,384,759	48.01	2,477,894,436	79.29	53.46

* See definition above. † Excluding capital, surplus and reserve and other liabilities to shareholders.

Reserve funds of the banks aggregated $161,500,000, these variously standing as follows at the close of the respective years: Royal, $35,000,000; Montreal, $38,000,000;; Commerce, $30,000,000; Nova Scotia, $24,000,000; Nationale, $7,000,000; Imperial, $8,000,000; Dominion, $9,000,000; Toronto, $9,000,000; and Provincial, $1,500,000.

As regards earnings in 1931, the annual reports of the nine banks disclose net profits aggregating $20,708,824 after all management expenses, provision for bad and doubtful debts, accrued interest on deposits rebate on discounts, and provision for taxes. After deducting dividends paid totalling $17,500,000 and write-offs for premises and for depreciation of securities and contributions to pension funds, where such provisions are made, surpluses aggregating $450,729 are shown for the year. Adding previous surpluses the combined total of balances carried forward to 1932 stood at $8,684,905.

On the combined capitalization of $144,000,000, net earnings (on the above basis) therefore represented 14.38 per cent, and dividends averaged 12.15 per cent.

Analysis of these items according to the annual reports of the several banks is as follows:

INCOME AND SURPLUS

	Capital $	Net Profits* $	Dividends $	Surplus $	Carried Forward $
Royal	35,000,000	4,848,328	4,200,000	48,328	4,155,106
Montreal	36,000,000	4,776,380	4,320,000	156,380	1,103,427
Commerce	30,000,000	4,174,924	3,600,000	19,332	535,683
Nova Scotia	12,000,000	2,459,802	1,920,000	24,802	559,633
Nationale	7,000,000	†766,940	700,000	26,940	205,169
Imperial	7,000,000	1,158,864	840,000	21,364	761,909
Dominion	7,000,000	1,110,990	840,000	20,990	465,209
Toronto	6,000,000	1,008,918	720,000	128,915	431,908
Provinciale	4,000,000	403,678	360,000	3,678	466,861
		20,708,824	17,500,000	450,729	8,684,905

* After tax provisions and all expenses, but before write offs for premises, pension fund contributions and provision for depreciation of securities, where made.

† Also after $125,000 payable to Province of Quebec after 10 per cent dividend has been paid to shareholders.

Capital Life Elects Officers at 20th Annual Meeting

Capital Life Assurance Co. reelected John J. Lyons president at the twentieth annual meeting of shareholders held in Ottawa recently.

Other officers and directors elected were: L. N. Poulin and A. E. Corrigan, Ottawa, vice-presidents; Senator E. W. Tobin, Bromptonville, Que.; W. H. McAuliffe, Col. D. R. Street, Col. L. T. Martin, Ottawa; Gordon Grant, Toronto; Dr. L. A. Dussault, Bromptonville, Que., and R. P. Gough, Toronto, directors.

Weekly Bank Clearings

Eastern Cities

	Feb. 19, 1931	Feb. 18, 1932
Halifax	$ 2,792,877	$ 2,046,029
Saint John	3,803,399	1,649,035
Moncton	660,125	618,872
Sherbrooke	662,034	621,16[illegible]
Quebec	4,097,949	3,832,37[illegible]
Montreal	122,044,625	76,061,446
Ottawa	6,638,123	5,165,[illegible]
Kingston	556,688	481,594
Peterboro'	834,020	602,225
Toronto	102,089,157	67,870,843
Hamilton	4,676,560	3,428,0[illegible]
Kitchener	1,046,836	732,051
Brantford	870,511	622,602
London	2,657,797	2,390,779
Chatham	666,687	408,815
Windsor	3,219,329	2,204,910
Sarnia	527,757	374,904
Sudbury	763,896	430,831

Western Cities

	Feb. 19, 1931	Feb. 18, 1932
Fort William	$ 596,704	$ 496,434
Winnipeg	30,133,071	31,316,339
Brandon	415,057	285,426
Moose Jaw	715,392	541,280
Regina	2,718,840	2,769,693
Saskatoon	1,525,250	1,285,324
Prince Albert	321,641	238,1[illegible]6
Edmonton	4,439,046	3,496,621
Calgary	7,291,760	5,143,62
Medicine Hat	211,939	141,022
Lethbridge	396,595	300,876
New Westminster	578,685	455,740
Vancouver	17,617,055	15,781,123
Victoria	1,873,554	1,309,547

PROVINCES CAN ACT UNDER FRAUD LAW AGAINST DOM. COS.

Privy Council Decision Supports Action Taken By Alberta

Now that the Privy Council has upheld the right of provinces to take measures to protect investors in shares of companies operating under federal charters, greater activity can be expected from the various commissions established under Security Frauds Prevention Acts. In some provinces there has been uncertainty since May, 1931, when the Attorney-General of Alberta began looking into some transactions concerning the Mercury Oil Co., Ltd., Mill City Petroleums Ltd., and Solloway, Mills & Co., Ltd.

It was argued on behalf of these companies that they had operated under federal charters and that the Alberta Legislature had no power to authorize the Attorney-General to investigate their affairs. Appeal was taken by the Alberta Government to the Privy Council, which finds that Alberta acted within its powers.

Ontario Had Own Ruling

So far as Ontario is concerned, operations under Security Frauds Prevention Act have proceeded without reference to the Alberta decision which has now been reversed by the Privy Council. The department in Ontario had taken as its bill of rights the copy of reasons given for the judgment of Judge A. Riddell on November 27, 1931, in the case Rex vs. Hazzard et al.

The Ontario case arose because on July 30, 1931, W. C. Clark, police magistrate of the Township of Pickering and the Village of Pickering, convicted three persons under the Security Frauds Prevention Act of 1930. It was made to appear that none of the defendents was registered as required by the act; that a corporation, Consolidated Producers Association, received a Dominion Charter dated June 15th, 1931; that the defendants were officers of this corporation; that they solicited and obtained, in the Township of Pickering, membership in the corporation in July, 1931, and it was assumed that they were acting as officers of and for the corporation.

Like a Bar-tender

The defendants urged that they were acting for a company with a Dominion Charter, and that the legislation under which the prosecution was brought was ultra vires to the province. Judge Riddell's decision is chiefly interesting at the moment because the text of the Privy Council has not yet arrived in Canada, but it is felt by the provincial authorities that the same considerations decided the decision of the Privy Council as of Judge Riddell.

Judge Riddell compared the situation to that of a bartender selling liquor in a hotel in pre-prohibition days when the supplying of alcoholic liquor was as much a part of the hotel business as that of food or lodging.

"When it was forbidden to sell such liquor without a license, it would have been idle for a bartender charged with selling without a license to set up that the hotel company for which he was selling was incorporated by a Dominion Charter."

Then the judge found that such cases as Mayland vs. Lymburn in 1931 simply showed that the field of criminal law is reserved for the Dominion, and the province must not enter it. The Ontario Act was simply a "mere case of fixing the conditions of local trade." There was nothing in the Act which could impair the status and power of the company, and that was the final and authoritative test.

Distinguishing Characteristics

(Weekly Message)

LONDON LIFE dividends to policyholders are on a very high scale and have been consistently good for such a long period of years as to establish an enviable record.

An Example—Ten years ago a contractor, aged 35, bought a $10,000 policy (number 98,099) on the Jubilee Ordinary Life plan with annual dividends. The premium was only $214.00—*$65 a year less than the standard rate* as the Jubilee is one of the Company's "reduced premium" plans. The dividends reduced this low premium still further as shown.

Year	Dividends	Net Amt. Payable (Prem. less Dividends)
1922	.....	$214.00
1923	$10.50	203.50
1924	11.50	202.50
1925	12.50	201.50
1926	13.50	200.50
1927	24.60	189.40
1928	28.80	185.20
1929	33.10	180.90
1930	37.70	176.30
1931	42.20	171.80
1932	43.30	170.70

Although the above example does not include the Disability Income benefit, this feature is still available in London Life policy contracts.

Established 1874

London Life Insurance Company

"Canada's *Industrial-Ordinary* Company"

HEAD OFFICE LONDON, CANADA

The London Life Insurance Company, London, Ontario

Please send your booklet, "Interesting Facts." I am interested in insurance and should like to know more about your Company.

Name (Please Print) ....

Address ....

F.P.

Manufacturers Life Clubs Elect New Officers

J. Hern of South Africa has been elected president of the Two Hundred Thousand Club of the Manufacturers Life Assurance Co. for 1932 according to an announcement in the company's agency bulletin. The vice-president at home is S. H. Crawford of Toronto and the vice-president abroad is S. Nickells of North China.

In the One Hundred Thousand Dollar Club, V. E. Ferrier of South China is president, this being the first time Mr. Ferrier has qualified for membership in the club. G. Harada of Japan is vice-president.

Halifax Port Tonnage Gains

The cargo tonnage which passed over the Halifax Harbor Commissioners' piers during December was 78,656, as compared with 62,247 in December, 1930, according to official figures.

FIRE · MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE

BRITISH AMERICA ASSURANCE COMPANY

ESTABLISHED A·D·1833

HIGHER THAN EVER

in

ASSETS

$303,000

over 1930

and

INVESTMENT RESERVE

$85,000

over 1930

A strong position—favorable to the policyholders.

The MONARCH LIFE ASSURANCE COMPANY

HEAD OFFICE—WINNIPEG

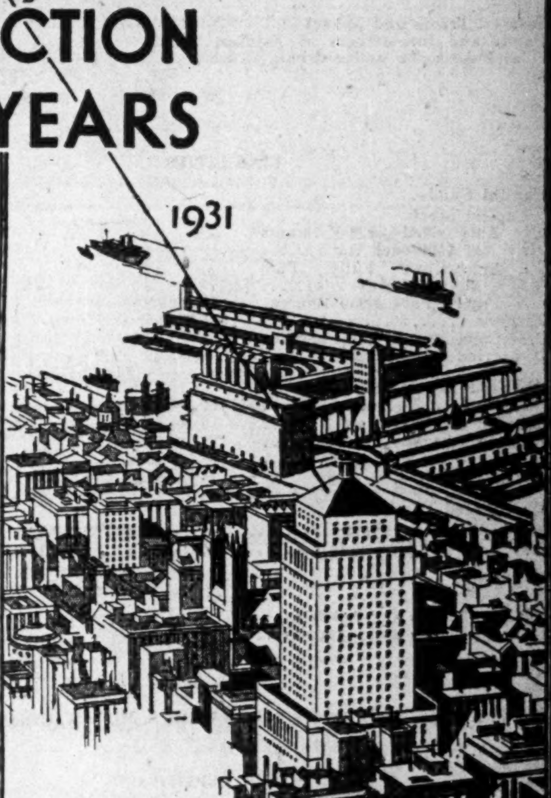
IN ONE DIRECTION FOR SIXTY YEARS

If you follow every turn of a river, you may lose sight of the way it is going. But on a map it is quite plain that the river has only one true direction.

The record of Canada is like a river—interrupted at times by twists and turns of difficulty, but making across the map of the last sixty years a line of progress so strong and sure that its direction is unmistakable.

The Royal Bank of Canada is typical of Canadian progress. Starting as a small local bank in Halifax, it has moved steadily forward through booms and depressions since 1869. With 881 branch offices, over 550 million dollars of deposits and assets of over 750 millions, it is today one of the great banking institutions of the world.

Canada and The Bank are travelling the same sure direction.



THE ROYAL BANK OF CANADA

Capital and Reserves - - - $74,155,106

Total Assets - - - - over $750,000,000

Use our money orders

When you pay a small bill use a Bank Money Order. This method is safe and economical.

Tellers at any branch of the bank will gladly sell you Money orders.

400

IMPERIAL BANK OF CANADA

HEAD OFFICE · TORONTO

Capital and Reserve $15,000,000

FRANK A. ROLPH, President

Col. J. F. Michie, Vice-President R. S. Waldie, Vice-President

A. E. Phipps, General Manager

230 BRANCHES THROUGHOUT CANADA

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Address 959

Thirty-Fifth Annual Report of

The London and Western Trusts Company, Limited

Your Directors have pleasure in submitting Report for the year 1931, indicating a substantial increase in the assets under control of the Company, which now stand at $43,639,052.10.

PROFIT AND LOSS ACCOUNT
FOR YEAR ENDING 31st DECEMBER, 1931

Balance brought forward from 1930		$ 1,241.14
Net Earnings after defraying expenses of management and all other Charges		121,572.90
		$122,814.04
Disposed of as follows:—		
Written off Office Premises for 1931	$10,000.00	
Reserved for Dominion Income Tax, etc.	13,200.00	
Dividends	94,178.35	
		117,378.35
Balance Carried Forward		$ 5,435.69

Your Directors are gratified to be able to report Profits of $121,572.90 as compared with Profits of $91,965.81 for the preceding year, an increase of $29,607.09, or approximately 32%. The improvement in net earnings has been made through extremely careful supervision of your Company's expenditures. Expense has been eliminated wherever possible without impairing the standard of service rendered to clients. During the year your Company has benefited by a number of Receiverships and the Estates Department has shown a steady accumulation.

In the Report of the preceding year there appeared an item "Equity in agreement for purchase of Office Premises in Vancouver." This property is now vested in your Company clear of all encumbrance and is reflected in the increased Office Premises Account. The building is being remodelled to meet the growing requirements of your Branch in Vancouver and when alterations have been completed some additional economy will be effected.

A considerable volume of business carried as Estates, Trusts and Agency balances in the last balance sheet has been transferred to Guaranteed Investment Account, effecting a substantial increase in this department.

Advances to Estates have increased during the year from $246,281.51 to $409,715.72. Under prevailing conditions many situations have arisen, particularly with respect to new Trusts, where it would have been highly inexpedient to proceed immediately with the liquidation of assets. In a number of cases, fully warranted by circumstances, realization of the assets has been deferred and advances to meet the requirements of the particular estate or trust have been made. All such advances are adequately secured.

The Edmonton Office has been closed and the business transferred to the Calgary Branch. Detailed inspection of all offices has been made during the year by the General Manager and it is our pleasure to report that all Branch Offices are now on a basis where they may be expected to produce satisfactory results.

It is with extreme regret that we record the loss by death during the year of five Directors, whose activities were untiring in the Company's interests—Mr. C. R. Somerville, Mr. A. M. Smart, Col. W. M. Gartshore, Mr. John M. Dillon, and Mr. Fred J. Anderson.

General J. A. Clark, who has served the Company as Manager in Vancouver since the office was first opened, has retired from the active administration of the Branch, but has been elected a member of the Regional Board at Vancouver and will continue to serve in an advisory capacity for the Province of British Columbia. The Managership at Vancouver has been filled by transfer of Colonel Westby who has rendered valuable service at the London Office for a number of years.

It is unnecessary to enlarge upon the world-wide economic difficulties of the present period. Your Directors are pleased to re-affirm their absolute confidence in the soundness of the Dominion of Canada and to assert their belief that Canadians are probably most happily situated among the peoples of the world. It is doubly gratifying indeed that in this period of general depression your Company has been able to improve its earning power.

Your Directors wish again to record their appreciation of the loyal and efficient service of the officers and members of the staff during the year. All have contributed whole heartedly and zealously of their time and ability to make possible the results which we now place before you in the belief that they will be deemed eminently satisfactory.

All of which is respectfully submitted.

W. W. EVANS, President.

BALANCE SHEET—31st December, 1931

ASSETS

Capital Funds:			
Cash on hand and in Chartered Banks	$ 120,952.40		
Bonds and Debentures	17,000.00		
Loans on Stocks and Bonds and other Collateral and accrued interest	289,238.03		
First Mortgages—Principal and Interest	120,333.79		
Agreements for Sale—Principal and Interest	440,250.07		
Stocks—Book Value	8,130.00		
Advances to Estates and Trusts	409,715.72		
Real Estate held for sale less Mortgages Payable	284,803.05		
(Certain parcels of Real Estate have been set aside under Agreement to provide for contingent liability assumed on purchase of Standard Trusts Company business)			
Office Premises at London, Winnipeg, Saskatoon and Vancouver	360,000.00		
Office Furniture and Fixtures, etc.	13,680.06		
Owing from Guaranteed Funds	39,104.11		
Other Assets	16,499.05		
		$2,119,706.28	
Guaranteed Funds:			
Cash in Chartered Banks	71,048.18		
Bonds and Debentures	286,591.14		
Loans on Stocks and Bonds	350,049.25		
First Mortgages—Principal and Interest	2,040,178.86		
		$2,747,867.43	
			$4,867,573.71
Estates, Trusts and Agencies:			
Funds and Investments of Estates, Trusts and Agencies under Administration			38,771,478.39
			$43,639,052.10

LIABILITIES

Capital Funds:			
Capital Stock			
Authorized 50,000 Shares of $100 each			
Subscribed Fully Paid 11,186 Shares	$1,118,600.00		
Partly Paid 1,950 Shares	62,420.00		
Reserve	856,020.00		
Profit and Loss Account balance carried forward	5,435.69		
		$2,042,475.69	
Dividend payable 2nd January, 1932	20,667.81		
Reserve for Taxes, etc.	19,448.55		
Accrued Charges	1,061.70		
All Other Liabilities	36,052.53		
		77,230.59	
			$2,119,706.28
Guaranteed Funds:			
Funds Held for Investment		$2,708,763.32	
Owing to Capital Funds		39,104.11	
			$2,747,867.43
			$4,867,573.71
Estates, Trusts and Agencies:			
Estates, Trusts and Agencies			$38,771,478.39
			$43,639,052.10

W. W. EVANS, President. JOHN S. MOORE, General Manager

AUDITORS' CERTIFICATE

We have audited the books and accounts of The London & Western Trusts Company, Limited, for the year ended 31st December, 1931, and have verified the Cash, Bank Balances and Securities of the Corporation, the Securities held for Capital and Guaranteed Accounts being shown at values not exceeding those approved of by the Registrar. After due consideration, we have formed an independent opinion as to the position of the Corporation, and we certify that in our opinion so formed and according to the best of our information and the explanations given to us, the above Balance Sheet sets forth fairly and truly, the state of the affairs of the Company and is in agreement with the books of the Company. We have received all the information and explanations we have required.

RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants, Auditors.

Toronto, Ontario, 10th February, 1932.

Offices at LONDON, TORONTO, WINNIPEG, SASKATOON, CALGARY, VANCOUVER

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING FEBRUARY 22

Range 1932 High	Low	Divd. Rate in $	Yield in % Feb. 20		Sales	Close Feb. 15 (or last)	Week Ending —Feb. 22— High	Low	Close
3	2½	.	...	Abitibi, c.	385	2¾	2¾	2½	2½
9¾	6	.	...	Do. pref.	15	8½	8½	8½	8½
x105	80	.	...	Do. pref.	....	80½	..	..	..
80	80	7	8.8	Acme F. D'y, p	....	80	..	..	..
x9	5½	.	...	Agnew Surp. c.	....	9	..	..	..
x88	83	7	8.4	Do. pref.	....	83	..	..	..
7	4½	.	...	Alta. Pac. Gr.	70	5	4½	4½	4½
25	20	.	...	Do. pref.	25	20	25	25	25
x4	3	.	...	Amal. Electric	....	3	..	..	..
10½	9	.	...	Do. pref.	10	9	10	10	10
x3½	2½	.	...	Anglo N. Hold.	....	3½	..	..	..
.37	.20	.	...	Asbestos	55	.25	.25	.20	.20
1.00	.65	.	...	Do. pref.	60	.75	.75	.65	.75
6	5½	60c	10.9	Assoc. Brew.	100	6	5½	5½	5½
68½	68½	7	10.2	Do. pref.	....	68½	..	..	..
10	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	4+50	..	Assoc. Tel.	....	66	..	..	..
x37½	12¾	.	...	Atlan. Sugar*	....	22½	..	..	..
92½	92	.	...	Do. pref.	....	92½	..	..	..
159¾	159¾	10	6.3	Bk. Can. Nat.*	....	159¾	..	..	..
225	215	12	5.6	Bk. Montreal*	....	215	..	..	..
274	267	16	5.9	Bk. N. Scotia*	....	269	..	..	..
193	193	12	6.2	Bk. Toronto*	....	193	..	..	..
x24	8½	.	...	Barcelona	....	15	..	..	..
2½	2½	.	...	Bathurst Pr.	....	2½	..	..	..
1	1	.	...	Do. (B)	20	1	1	1	1
‡26	26	.	...	Bawlf Grain	....	..	..	..	..
x25	20	.	...	Do. pref.	....	20	..	..	..
x12	6	.	...	Beath & Sons	....	6	..	..	..
10	10	1	10	Beatty Bros. A	15	10	10	10	10
60	57	6	10	Do. pref.	....	60	..	..	..
3½	1⅞	.	...	Beauharnois	3311	2½	2½	1⅞	1⅞
x93	85	7	8.2	Belding Cort.	....	85	..	..	..
x100	90	7	7.8	Do. pref.	....	90	..	..	..
x55	10	.	...	Belgo C. P. pf	....	10	..	..	..
120	107½	8	6.7	Bell Telephone	502	119	119	107½	110¾
2	2	.	...	Biltmore Hats	....	2	..	..	..
x65	45	7	..	Do. pref.	....	45	..	..	..
4	2	.	...	Bissell, T. E.	....	2	..	..	..
‡97	88	.	...	Do. pref.	....	..	..	..	..
8	5	.	...	Blue Ribbon	30	5	5	5	5
25	12	2	18.3	Do. pref.	....	15	..	..	..
18	17½	2	11.1	Brant. Cd. pf.	....	18	..	..	..
14⅛	10⅝	1	7.1	Brazilian Tr.	16354	13½	14⅛	13	13¾
x¾	¾	.	...	Brew. & Distil.	....	¾	..	..	..
1	¾	.	...	Brewing Corp.	1190	1	1	¾	¾
3½	2½	.	...	Do. pref.	200	3	3	2½	2½
10⅛	9⅜	80c	7.9	Brit. Amer. Oil	2796	10⅛	10½	9⅜	10⅛
1½	1	.	...	B.C. Packers	185	1½	1½	1½	1½
6½	4½	.	...	Do. pref.	....	6	..	..	..
26	22¾	2	8.3	B.C. Power	957	24	24	22¾	23½
6	5½	.	...	Do. (B)	....	6	..	..	..
x8	4½	.	...	Bruck S. Mills	....	4½	..	..	..
20½	17	2	11.1	Building Prod.	....	18	..	..	..
32	29½	3	10	Burt, F. N.	65	30	30	29½	29½
x146	137	6	4.4	Calgary Pr.*	....	137	..	..	..
3	2½	.	...	Can. Bread	160	2½	2½	2½	2½
85	82	7	8.4	Do. pref. (A)	....	83	..	..	..
25	25	2	8	Do. pref. B.	....	25	..	..	..
9	7	1	12.5	Canada Bud	660	8	8	7½	7¾
7	5½	.	...	Can. Cement	1114	6⅜	6⅜	6⅛	6⅜
66	61	6.50	10.1	Do. pref.	202	65½	65	63	64
b13½	10	1.20	10.4	Canada Dry	2400	12½	12½	11½	11½
6	5	.	...	Can. Forg. (A)	950	6	6	5	5
‡16	5	.	...	Do. (B)	....	..	..	..	..
x68	60	3	5	Canada Iron	....	60	..	..	..
x80	75	6	7.5	Do. pref.	....	80	..	..	..
x650	630	20	...	Canada Life	....	630	..	..	..
13	11½	1.50	12.1	Can. Malting	5	12½	12⅝	12⅝	12⅝
x25½	15	80c	..	Can. Nor. Pr.*	....	19½	..	..	..
x107	104	7	6.6	Do. pref.	....	106	..	..	..
x6	⅜	.	...	Can. Paving	....	⅜	..	..	..
x51	10½	.	...	Do. pref.	....	10½	..	..	..
186	185	12	6.5	Can. Perman.*	....	185	..	..	..
1	½	.	...	Can. Pr. & Pa.	....	¾	..	..	..
2	2	.	...	Can. Steamsh's	....	2	..	..	..
9	5	.	...	Do. pref.	135	5	5½	5	5½
16	14	1.60	10.7	Can. Vinegars	38	15½	15	15	15
55	55	4	7.3	Can. W. Cable	....	55	..	..	..
18	18	.	...	Do. (B)	....	18	..	..	..
x16	9½	.	...	Can. Bakeries	....	9½	..	..	..
14	12	.	...	Do. pref.	5	13	12	12	12
191	186	12	6.4	Can. Bk. Com.*	....	186	..	..	..
x36½	19	1.25	6.6	Can. Bronze*	....	19	..	..	..
102	102	7	6.9	Do. pref.*	....	102	..	..	..
x13½	8	20c	2.5	Can. Canners*	....	8	..	..	..
80	80	6	7.5	Do. 1st pf.*	....	80	..	..	..
x14	8¾	68c	7.5	Do. 2nd pf.*	....	9	..	..	..
7½	6½	1	15.4	Can. C. & F'y.	590	6½	6¾	6½	6¾
16	14¾	1.75	11.7	Do. pref.	216	15½	15	15	15
4½	4½	.	...	Can. Celanese	5	6½	4½	4½	4½
x73½	59	7	10.8	Do. pref.*	....	65	..	..	..
x58	30	2	6.7	Can. Convert.*	....	30	..	..	..
‡50	45	.	...	Can. Cottons*	....	..	..	..	..
60	60	6	10	Do. pref.	....	60	..	..	..
13½	12	.	...	Can. Dredge	85	13	13	12½	12½
x92	92	7	7.6	Do. pref.	....	92	..	..	..
68	68	6	8.8	Can. Fairb. pf.	....	68	..	..	..
4	3½	.	...	Can. For. Inv.	....	4	..	..	..
x80	70	8	10.4	Do. pref.	....	77	..	..	..
x300	200	4	2	Can. Gen. Elec.	....	200	..	..	..
58	54	3.50	6.1	Do. pref.	9	55	58	55½	56
66	66	6	9.1	Can. Hy. E. pf.*	....	66	..	..	..
1½	1	.	...	Can. Ind. Alc.	1190	1½	1½	1	1⅛
.80	.50	.	...	Do. (B)	10	.65	.60	.60	.60
x5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
x70	64½	5	...	Do. pref.	....	65	..	..	..
x42	15	1	...	Can. Lt. & Pr.	....	25	..	..	..
x18	1	.	...	Can. Locomo.	....	1	..	..	..
x25	5	.	...	Do. pref.	....	5	..	..	..
b1½	¾	.	...	Can. Marconi	5300	1	1⅛	1⅛	1⅛
11	10	1	9.8	Canadian Oil	85	10	10¼	10	10¼
98	98	8	8.2	Do. pref.	....	98	..	..	..
18½	13½	1.25	6.9	Can. Pacific	8355	17¾	18½	17½	17¾
x6½	5	.	...	C. Pr. & P. Inv	....	5	..	..	..
2½	2	.	...	Can. Vickers	....	2½	..	..	..
20½	20½	.	...	Do. pref.	....	20½	..	..	..
2¾	2	20c	8.9	Can. Wineries	15	2½	2½	2½	2¼
7½	7	1	14.3	Can. Wire Box	....	7	..	..	..
12	10	.	...	Catelli Mac. A	165	12	11	10	10
x5	5	.	...	Do. (B)	....	5	..	..	..
x301	290	12+2	4.7	Cent. Can. L'n*	....	300	..	..	..
2.05	1.44	10c	...	Chem. Research	1575	1.62	1.65	1.51	1.65
7.25	6.00	30c(c)	..	Cities Service	....	7.25	..	..	..
6	4½	.	...	Cockshutt Plow	375	5¼	5⅜	5⅜	5½
x9	3	.	...	Comm. Alcohol	....	4	..	..	..
3¾	3	.	...	Conduits	10	3	3	3	3
x94	84	7	7.8	Do. pref.	....	90	..	..	..
8	6½	1	15.4	Cons. Bakeries	247	6⅝	6½	6½	6½
1	½	.	...	Cons. Food Pr.	....	½	..	..	..
x6	3	.	...	Do. (A)	....	3	..	..	..
5	4	.	...	Cons. Indust.	85	4½	4¼	4	4
x5	5	.	...	Cons. Paper	....	5	..	..	..
15	15	.	...	Cons. Press	....	15	..	..	..
x80	50	7	14	Cons. Sand, pf.	....	50	..	..	..
72	64	2.50†	3.6	Cons. Smelters	895	70½	70½	68	69
166	153	10	6.5	Consumers Gas	151	153	157	153	153
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
x20½	15	.	...	Corpor. Steel	....	15	..	..	..
‡90	90	.	...	Corr. P. Box pf	....	..	..	..	..
3¼	2¾	.	...	Cosgrave Br.	150	2¾	2¾	2¾	2¾
5	3½	.	...	Cosmos Imp.	25	3⅝	4½	4½	4½
68	62	7	11.3	Do. pref.	10	65	62	62	62
3	2½	.	...	Crown Do. Oil	30	2¾	2½	2½	2½
13	9	3	...	Crow's N. Coal	50	12	12	9	9
x5	3	.	...	David & Fre. B	....	3	..	..	..
x12½	12½	.	...	De Havilland	....	12½	..	..	..
x9	5	.	...	Disher Steel	....	5	..	..	..
x10	10	1.50	..	Do. pref.	....	10	..	..	..
6⅛	3½	.	...	Distill-Seagram	1465	3⅜	4	3½	3¾
194	189	12	6.3	Dominion Bk.*	20	194	189	189	189
27	27	2.50	9.2	Dom. Bridge*	....	27	..	..	..
x40	40	.	...	Dom. Coal*	....	40	..	..	..
22½	21	.	...	Dom. Engineer	....	21	..	..	..
‡14	10	.	...	Dom. Found.	....	..	..	..	..
x126	82	5	6.1	Dom. Glass*	....	82	..	..	..
112	100	7	7	Do. pref.	....	100	..	..	..
5½	3	40c	10.7	Dom. Motors	35	3⅜	3¾	3¾	3¾
7½	5	.	...	Dom. Pr. Stubs	10	5	5	5	5
2½	1¾	.	...	Dom. St. & CB	315	2	2½	2	2½
x24	24	.	...	Dom. Steel, pf.	....	24	..	..	..
18	16½	1.20+30c	8.6	Dom. Stores	878	17⅝	17¾	17⅝	17⅝
4	4	.	...	Dom. Tar & Ch	....	4	..	..	..
x95	79½	6.50	8.2	Do. pref.	....	79½	..	..	..
63½	55	5	9.1	Dom. Textile	610	63½	55	55	55
x123	120	7	5.8	Do. pref.	....	120	..	..	..
x12	10	.	...	Donnacona	....	10	..	..	..
2	1½	.	...	Dryden Pap.	345	1½	1½	1½	1½
4	3	.	...	Duff. Paving	25	4	3	3	3
49	45	7	15.5	Do. pref.	20	49	45	45	45
20	20	.	...	East Koot. Pr.	....	20	..	..	..
x97	94½	7	7.3	Do. pref.	....	96	..	..	..
16	16	1	...	East. Dairies*	10	20	16	16	16
x20	16	50c	...	East. Steel*	....	16	..	..	..
x100	97	7	7.1	Do. pref.*	....	98	..	..	..
‡34	28½	2	...	East. Theatres	....	..	..	..	..
‡85	80	7	...	Do. pref.	....	..	..	..	..
x3¾	3¾	.	...	Easy Washer	....	3¾	..	..	..
x37	34½	1.75	4.7	Economic Inv.*	....	37	..	..	..
x15	15	.	...	Edmonton D'y	....	15	..	..	..
x80	78¾	6.50	8.3	Do. pref.	....	78¾	..	..	..
4	4	.	...	Enam. & eat.	5	5	4	4	4
19	19	3	15.8	Eng. Electric	....	19	..	..	..
2½	1½	.	...	Do. (B)	4	2½	1½	1½	1½
x39½	16	2	...	Fam. Players	....	18	..	..	..
x33½	18	2	..	Do. Vot. Tr.	....	18	..	..	..
10	10	1	10	Fanny Farmer	....	10	..	..	..
29	28	2.40	8.6	Do. pref.	....	28	..	..	..
‡83½	75	.	...	Firstbrook Box	....	..	..	..	..
15½	11	.	...	Ford Motors A	1362	15½	15½	14½	14¾
3⅜	3⅜	.	...	For. Pr. Secs.	....	3⅜	..	..	..
x16½	8	1	11.1	Foundation Co.	....	9	..	..	..
1½	1	.	...	Fraser Cos.	100	1	1	1	1
x8	5	.	...	Frost Steel	....	7	..	..	..
x96½	85	7	8.2	Do. pref.	....	85	..	..	..
2½	2	.	...	Gen. St. Wares	55	2	2½	2	2
79	70	5	6.5	Goodyear Tire	15	75	77	77	77
91	80	7	7.7	Do. pref.	171	90	91	88½	91
x93½	93½	7	...	Gould Pumps p	....	93½	..	..	..
¾	¾	.	...	Gt. W. Saddlery	....	¾	..	..	..
x8	6	.	...	Do. pref.	....	8	..	..	..
21	21	2	9.5	Gurd. Chas.*	....	21	..	..	..
5	3½	.	...	Gypsum, Lime	160	4	4	3½	4
7	6	.	...	Ham. Bridge	65	7	6⅛	6	6½
x80	63	6.50	10.1	Do. pref.	....	64	..	..	..
10	10	.	...	Ham. Cot., pf.	....	10	..	..	..
1½	1½	.	...	Ham. U. Theat	....	1½	..	..	..
53	48½	7	14.4	Do. pref.	50	51	48½	48½	48½
4	3½	.	...	Hayes Wheel	45	3½	3½	3½	3½
‡95	80	.	...	Do. pref.	....	..	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.*	....	..	..	..	..
1½	1	.	...	Hinde & Dauch	100	1	1½	1½	1½
x75	75	.	...	Holt Renfrew	....	75	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..
3⅛	3	.	...	Honey Dew	....	3	..	..	..
40	37	7	18.4	Do. pref.	15	37	38	38	38
3¾	3	.	...	H. Smith Pap.	....	3	..	..	..
27	22	.	...	Do. pref.	....	22	..	..	..
21½	20½	2.40	11.7	Humberstone S	30	21	20½	20½	20½
x23½	17	1.40	8.2	Hunt (A)	....	17	..	..	..
x23½	18½	1.40	7.6	Do. (B)	....	18½	..	..	..
x150	143	8	5.5	Huron & E. M*	....	144	..	..	..

Range 1932 High	Low	Divd. Rate in $	Yield in % Feb. 20		Sales	Close Feb. 15 (or last)	Week Ending —Feb. 22— High	Low	Close
x29½	28	.	...	Do. 20% paid*	....	28	..	..	..
11½	8½	.	...	Hydro Electric	25	9½	11½	11½	11½
193	188	12	6.4	Imperial Bank*	6	188	188	188	188
10½	9⅝	50c	5	Imperial Oil	8393	9⅞	10½	9½	10
9⅜	7½	35+17½c	.	Imperial Tob.	2837	9⅝	8	7⅞	7¾
80	80	8	10	Inter. Coal, p.	....	80	..	..	..
x29	9½	2a	...	Int. Hyd. E. A	....	9½	..	..	..
96	96	7	7.3	Inter. Mill. pf.	20	96	96	96	96
x80	80	6	7.5	Do. Series, A	....	80	..	..	..
11	8½	.	...	Inter. Nickel	20519	9	9¾	8¾	9
4	4	.	...	Inter. Paints	....	4	..	..	..
b2½	1½	.	...	Int. Pa. & Pr. A	600	2	2	2	2
b1	1	.	...	Do. (B)	....	1	..	..	..
b⅜	⅜	.	...	Do. (C)	....	⅜	..	..	..
b11	7½	.	...	Do. pref.	900	8½	8½	7¾	7⅞
11¾	10¼	1	9.5	Inter. Petc.	2881	10⅞	11	10¼	11
x8	5	.	...	Inter. Power	....	5	..	..	..
x78	56½	.	...	Do. pref.*	....	57	..	..	..
8	6½	.	...	Int. Util. (A)	5	6½	7	7	7
3	2	.	...	Do. (B)	....	2	..	..	..
x40	40	1	2.5	Jam. Pub. Ser*	....	40	..	..	..
x109	99½	7	7	Do. pref.*	....	100	..	..	..
4	3½	.	...	Kelvinator	5	4	4	4	4
90	88	7	7.8	Do. pref.	....	90	..	..	..
7	6	.	...	Lake of Woods	100	6	6½	6½	6½
x101	82	.	...	Do. pref.	....	85	..	..	..
x140	140	8	5.7	Landed Bank.*	....	140	..	..	..
38	36	8	7.9	Laura Secord	45	38	38	38	38
8	5	1	19.5	Lindsay, C. W.	....	5⅛	..	..	..
60	60	6.50	10.8	Do. pref.	....	60	..	..	..
10¾	9½	80c	8	Loblaw (A)	304	10	10	9¾	10
10½	9	80c	8.9	Do. (B)	125	9	9½	9	9
‡2¾	2¾	.	...	Loew's, London	....	..	..	..	..
x25	19	.	...	MacKin. Steel	....	20	..	..	..
x95	90	7	7.7	Do. pref.	....	91	..	..	..
6½	6½	.	...	Manitoba Pr.	....	6½	..	..	..
2	2	.	...	Maple Leaf	....	2	..	..	..
20½	12	.	...	Do. pref.	37	15	15	12¾	13
x38	30	.	...	Marcus Loew's	....	38	..	..	..
x73	70	.	...	Do. pref.	....	73	..	..	..
4½	3½	.	...	Massey-Harris	2018	4	4	3½	3¾
10½	9¾	60c	6.1	McColl Fron.	1317	9½	9¾	9½	9½
x80	69¾	6	7.9	Do. pref.	....	76	..	..	..
x45	35	.	...	Mexican L & P	....	35	..	..	..
‡25	25	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
x40½	40	2	5	Mitchell, J. S.*	....	40	..	..	..
x105	104	7	6.7	Do. pref.	....	105	..	..	..
8	6	1	15.4	Mitchell, Robt.	10	6½	6	6	6
x1	1	.	...	Monarch Knit.	....	1	..	..	..
30	27½	.	...	Do. pref.	....	27½	..	..	..
x95½	83½	6	6.5	Montreal Cot.	....	92	..	..	..
x102	98	7	7	Do. pref.	....	100	..	..	..
2½	2½	.	...	Montreal Exhib.	....	2½	..	..	..
x20	14	.	...	Mont. Is. Pr.	....	14	..	..	..
38	36	1.50	4.2	Mont. L. & Pr.*	266	36	36	36	36
49½	48	3+25	6.8	Montreal Loan	....	48	..	..	..
47	44½	3.20	7.1	Montreal Tele.	....	45	..	..	..
150	140	10	7.1	Mont. Trams.	....	140	..	..	..
10	9	1	10.5	Moore Corp. c.	50	9½	9½	9½	9½
93	93	7	7.5	Do. (A)	....	93	..	..	..
97	95	7	7.5	Do. (B)	....	95	..	..	..
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	1	...	Do. pref.	....	..	..	..	..
2	1½	10c	...	Muirheads	125	2	2	2	2
8	8	75c	9.4	Do. pref.	....	8	..	..	..
24	24	1.60	6.7	Nat. Brew.*	....	24	..	..	..
x35	27	1.75	5.6	Do. pref.*	....	31	..	..	..
‡10	3	.	...	Nat. Brick	....	..	..	..	..
x19	5	.	...	Do. pref.	....	5	..	..	..
x.50	.25	.	...	Nat. Distiller.	....	.40	..	..	..
12½	9½	2	20	Nat. Steel Car.	222	10	10	9½	9½
255	245	14	5.7	National Tr.*	....	245	..	..	..
10	10	1	10	Niag. W. Weav.	....	10	..	..	..
x36	22	3	9.4	Do. pref.	....	32	..	..	..
2.50	2.00	.	...	North Star Oil	....	2.25	..	..	..
x4.95	4.00	35c	8.2	Do. pref.	....	4.25	..	..	..
‡25	22½	.	...	N.S. Steel, pf.	....	..	..	..	..
x285	125	8	4.3	Ogilvie Flour*	....	185	..	..	..
100	100	7	7	Do. pref.	8	..	100	100	100
9	7	40c	5	Ont. Eq. 10% p	60	9	8	8	8
x120	113	6	5.1	Ontario Loan*	....	117	..	..	..
x7	5	.	...	Ont. Silknit	....	7	..	..	..
x16	13	.	...	Ont. Steel	....	13	..	..	..
‡105	105	7	...	Do. pref.	....	105	..	..	..
x1½	¾	.	...	Orange Crush.	....	¾	..	..	..
45	44	7	15.9	Do. (A)	....	44	..	..	..
5½	1	.	...	Do. (B)	....	1	..	..	..
x110	90	6	5.7	Ott. L H & P*	....	105	..	..	..
x105½	102	6.50	6.3	Do. pref.	....	103	..	..	..
x25	25	.	...	Ott. Traction	....	25	..	..	..
68	49½	5	8.9	Page Hersey	82	54½	56	54	54½
x49	21½	2.50d	...	Paramount	....	21½	..	..	..
x35	30	.	...	Paton Mfg.	....	30	..	..	..
x94	82	7	7.4	Do. pref.	....	94	..	..	..
x½	¼	.	...	Pelissiers	....	¼	..	..	..
x30	25	.	...	Do. pref.	....	30	..	..	..
x73	31	3	9.1	Penmans*	....	33	..	..	..
x101	93	6	6.2	Do. pref.	....	97	..	..	..
x.75	.50	.	...	Perfec. Glass	....	.50	..	..	..
18½	18	2	11.1	Photo Eng.	30	18	18	18	18
x40	10	.	...	Port Alfred, pf.	....	10	..	..	..
x70	64	7	10	Porto Rico P. p	....	70	..	..	..
b9	4½	.	...	Postal Tele.	....	..	..	..	..
36½	36½	2	5.5	Power Corp.*	....	36½	..	..	..
90	90	6	6.7	Do. pref.	....	90	..	..	..
2	2	.	...	Prairie C. Oil.	....	2	..	..	..
7¾	7	25c	3.2	Pressed Metals	60	7¾	7¾	7	7
x42½	25	.	...	Price Bros.*	....	25	..	..	..
x99	70	6.50	9.3	Do. pref.*	....	70	..	..	..
29	29	2	...	Quebec Power*	....	29	..	..	..
x110	105	7	6.7	Real Estate L*	....	105	..	..	..
2	1	.	...	Regent Knit.	75	1	1½	1½	1½
x10	5½	.	...	Reliance Grain	....	9	..	..	..
10½	10	2	20	River S. Mills.	....	10	..	..	..
12	12	1.50	12.5	Robinson Cone	....	12	..	..	..
x16½	9	.	...	Rogers Majest.	....	9	..	..	..
x291	231	12	5.2	Royal Bank*	....	231	..	..	..
x84	75	7	...	Ruddy, E. L. p	....	75	..	..	..
x77½	32	2	5.7	Russell Motor	....	35	..	..	..
70	67	7	10.4	Do. pref.	....	67	..	..	..
3	3	.	...	Sarnia Br. (A)	25	3	3	3	3
‡12	5	.	...	Do. (B)	....	..	..	..	..
7	5	.	...	Serv. Station	182	6	6½	5⅜	5½
46	45	6	13	Do. pref.	....	46	..	..	..
33	33	2	6.1	Shawinigan*	14	33	33	33	33
20	8	.	...	Sher.-Wms.	565	17	16	8	8
x121	112	7	6.1	Do. pref.	....	115	..	..	..
17	17	.	...	Simon & Son*	....	17	..	..	..
x92	88½	7	7.7	Do. pref.*	....	91	..	..	..
55½	39½	6.50	16.2	Simpson, Ltd.	31	43	42	39½	42
x44½	36	.	...	Do. (A)	....	36	..	..	..
x35½	24½	.	...	Do. (B)	....	29	..	..	..
x108	100	6	5.8	Simpson, Robt.	....	103	..	..	..
25	25	1	4	So. Can. Pr.	....	25	..	..	..
90	90	6	6.7	Do. pref.	131	105¾	90	90	90
1.00	.75	.	...	St. Law. Corp.	25	.80	.80	.80	.80
4	2½	.	...	Do. (A)	....	3½	..	..	..
x20	16	.	...	St. Law. Flour	....	16½	..	..	..
x85	82	7	8.2	Do. pref.	....	85	..	..	..
11	9	.	...	St. Law. Pap. p	....	10½	..	..	..
x30	4	.	...	St. Maur. V. p	....	4	..	..	..
3	2½	.	...	St. Pav. & Mat.	50	2½	2½	2½	2½
x80	55	7	11.7	Do. pref.	....	60	..	..	..
x1	1	.	...	Stanfords	....	1	..	..	..
4	4	1	...	Stand. Chem.	....	4	..	..	..
2¾	2	.	...	Stand. Steel	15	2¾	2¾	2¾	2¾
x35	30	3	10	Do. pref.	....	30	..	..	..
22	20	1.75	8.2	Steel of Can.	1046	21	22	20¾	21
29	25½	1.75	6.9	Do. pref.	400	26	27	25½	26
½	½	.	...	Sterling Coal	....	½	..	..	..
18½	15½	1	6.1	Sup. Pet. ord.	110	16	16½	16	16½
x31	14	1	6.7	Do. com.	....	15	..	..	..
98	95	7	7.1	Do. pref.	....	98	..	..	..
x49	41	.	...	Tamblyn	....	49	..	..	..
100½	95	7	7.4	Do. pref.	30	100	97	95	95
18	17	3.50	19.4	Thayers, pref.	....	18	..	..	..
x13	6½	.	...	Tip Top Tailors	....	7	..	..	..
x90	77	7	8.4	Do. pref.	....	83	..	..	..
x22	10	.	...	Tooke Bros.	....	10	..	..	..
x67	48½	.	...	Do. pref.	....	48½	..	..	..
12	11	.	...	Tor. Elevators	40	11	11	11	11
210	210	12	5.7	Tor. Gen. Tr.*	....	210	..	..	..
x115	108	6	5.4	Toronto Mtge.*	....	110	..	..	..
x3	1	.	...	Traymore	....	1½	..	..	..
x12½	7	.	...	Do. pref.	....	7	..	..	..
120	120	7	5.8	Tuckett Tob. p	15	..	120	120	120
4	3⅛	.	...	Twin City	20	4	3⅞	3⅞	3⅞
b24½	13	7	..	Do. pref.	....	..	..	..	..
5	3¾	.	...	Union Gas	201	4	4	3¾	3¾
x101½	98	7	7	Union Trust*	....	100½	..	..	..
x8	3	.	...	United Fuel	....	6½	..	..	..
15	10	.	...	Do. pref.	15	10	11	10	10
x62½	40	2	5	United Secs.	....	40	..	..	..
11	10	.	...	Viau Biscuit	....	10	..	..	..
75	75	7	9.3	Do. pref.*	....	75	..	..	..
12	10	.	...	Wabasso Cot.	70	12	10	10	10
3¾	2⅝	25c	7.1	Walker-Good.	15349	3⅜	3¾	3⅛	3¼
2⅝	2½	.	...	Do. (new)	410	..	2⅝	2½	2½
12	11½	.	...	Do. pref.	367	..	12	11½	11½
3¾	3	.	...	Waterloo Mfg.	....	3	..	..	..
80	75	7	8.9	W. Koot. Pr. p	10	..	80	75	80
8	7	.	...	West. C. Flour	....	7	..	..	..
x96	70	6.50	9.3	Do. pref.	....	70	..	..	..
10	10	.	...	West. Grocers	....	10	..	..	..
43	43	7	16.3	Do. pref.	....	43	..	..	..
x91	85	.	...	W. Steel Pr. p	....	91	..	..	..
x45	30	1	2.6	Weston Bisc.*	....	38	..	..	..
x90	79	7	8.9	Do. pref.*	....	79	..	..	..
‡9	9	.	...	Whittall Can.	....	..	..	..	..
x13	10	.	...	Windsor Hotel*	....	12	..	..	..
x73	71	6.50	9.1	Do. pref.*	....	71	..	..	..
8	6	.	...	Winnipeg Elec.	50	6	6	6	6
x81½	49	.	...	Do. pref.*	....	50	..	..	..
x40	36	.	...	Woods Mfg. p*	....	36	..	..	..
‡2½	1½	.	...	Zimmerknit	....	..	..	..	..
x7	7	.	...	Do. pref.	....	7	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1930.
d Stock div.
c 2½c monthly plus stock dividend of ½ of 1% monthly.
† Plus stock bonus.
* Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Winnipeg Stock Exchange

February 19, 1932

	Bid	Ask		Bid	Ask
Beaver Fire	..	115	Monarch Life	25	28
Beaver Lumber c.	6⅛	..	North. Trust	..	24
Can. Amer. Tr. sh.	..	3⅞	Un. Gr. Growers	..	13
City Dairy (Wpg.) pref. 7%	..	65	Reliance Grain pf.	..	60
Corporate Steel c.	..	5	West. Breweries	1½	..
Crescent Cream. pf.	..	85	Fund. Tr. shs. A	..	4¼
Home Investment	..	50	Do., "B"	..	4½
			Grouped Inc. Shs.	..	4.71

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass, pref.	$7	$1.75	Apr. 1	Mar. 15
Aluminium Ltd., pref.	$6	$1.50	Mar. 1	Feb. 15
Bank of Nova Scotia	16%	4%	Apr. 1	Mar. 16
Bk. Can. Nationale	10%	2½%	Mar. 1	Feb. 15
Bank of Montreal	12%	3%	Mar. 1	Jan. 30
Borden's	$3	75c	Mar. 1	Feb. 15
Bank of Toronto	12%	3%	Mar. 1	Feb. 15
Brazilian Tr. ord.	$1	25c	Mar. 1	Jan. 30
Brit. Amer. Oil	80c	20c	Apr. 1	Mar. 15
Belding Corticelli pfd.	7%	1¾%	Mar. 15	Feb. 29
Can. Pacific Railway	$1.25	31¼c	Apr. 1	Mar. 1
Do., pref.	4%	2%	Apr. 1	Mar. 1
Can. Silk Products "A"	$1.50	37½c	Mar. 1	Feb. 15
Canadian Car, c.	$1	25c	Feb. 29	Feb. 15
Can. Wire & Cable "A"	$4	$1	Mar. 15	Feb. 29
Do., pref.	6½%	1⅝%	Mar. 15	Feb. 29
Canadian Car, pref.	$1.75	44c	Apr. 9	Mar. 26
Can. Hydro Elec. 1st pfd.	6%	1½%	Mar. 1	Feb. 1
Canadian Oil, pref.	8%	2%	Apr. 1	Mar. 19
Can. Bank of Commerce	12%	3%	Mar. 1	Jan. 31
Capital Trust, c.	$5	$5	Mar. 1	Dec. 31
Canada Bread, "B"	$2	50c	Mar. 1	Feb. 15
Canada Nor. Power	80c	20c	Apr. 25	Mar. 31
Do., pref.	7%	1¾%	Apr. 15	Mar. 31
Crow's Nest Coal	$3	75c	Mar. 1	Feb. 10
Collingwood Terminals pfd.	7%	1¾%	Feb. 27	Feb. 15
Cities Service, com.	30c	2½c	Mar. 1	Feb. 15
Do., stk. div.	6%	½%	Mar. 1	Feb. 15
Canada Iron Foundries	$3	$1.50	Mar. 15	Feb. 29
Do., pref.	$6	$3.00	Mar. 15	Feb. 29
Canada Vinegars	$1.60	40c	Mar. 1	Feb. 15
Canada Cement, pref.	$6.50	$1.62½	Mar. 31	Feb. 29
Can. Perm. Mortgage	12%	3%	Apr. 1	Mar. 15
Can. & Dom. Sugar, c.	$1.50	37½c	Mar. 1	....
Connors Bros. pref.	$7	$1.75	Mar. 1	Jan. 30
Dominion Glass	$5	$1.25	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Dominion Stores	$1.20	30c	Apr. 1	Mar. 15
Dome Mines	$1	25c	Apr. 20	Mar. 31
Dominion Bridge	$2.50	62½c	May 16	Apr. 30
Dominion Tar &Ch. pfd.	6½%	1⅝%	May 1	Apr. 6
Eastern Theatres, com.	$2	50c	Mar. 1	Jan. 30
East Koot. Pr., pref.	$7.00	$1.75	Mar. 15	Feb. 29
Famous Players	$2	50c	Mar. 26	Mar. 4
Hamilton Un. Theatres pfd.	7%	1¾%	Mar. 31	Feb. 29
Imperial Oil (coupon 32)	50c	12½c	Mar. 1	Feb. 12
Inter. Milling, pref.	7%	1¾%	Mar. 1	Feb. 20
Do., pref. "A"	6%	1½%	Mar. 1	Feb. 20
Inter. Petroleum (coupon 32)	$1	25c	Mar. 15	Feb. 29
Do., pref.	$1	25c	Mar. 15	Feb. 29
Imperial Tobacco,	35c	8¾c	Mar. 31	Mar. 2
Do., final	...	17½c	Mar. 31	Mar. 2
Do., pref.	6%	3%	Mar. 31	Mar. 2
Inter. Proprietries "A"	$2.60	65c	Mar. 15	Feb. 13
Lake Shore Mines	$2	50c	Mar. 15	Mar. 1
Landed Banking & Loan	8%	2%	Apr. 1	Mar. 15
Lindsay, C. W.	$1	25c	Mar. 1	Feb. 15
Do., pref.	6½%	1⅝%	Mar. 1	Feb. 15
Laura Secord, c.	$3	75c	Mar. 1	Feb. 15
Loblaw Groc. c. "A"	80c	20c	Mar. 1	Feb. 12
Do., com. "B"	80c	20c	Mar. 1	Feb. 12
Legare, P. T., pref.	$7	$1.75	Mar. 1	Feb. 15
Mexico Trams. 5% 50-yr. bonds	...	Int.	Mar. 1	......
Muirhead Cafeterias	10c	10c	Mar. 1	Feb. 15
Do., pref.	75c	25c	Mar. 1	Feb. 15
Montreal Loan & Mtge.	12+1%	3+1%	Mar. 15	Feb. 29
McColl Fron., c.	60c	15c	Mar. 15	Feb. 15
McIntyre Mines	20%	5%	Mar. 1	Feb. 1
Montreal Cottons	$6	$1.50	Mar. 15	Feb. 29
Do., pref.	$7	$1.75	Mar. 15	Feb. 29
New Method Laundry pfd.	6½%	1⅝%	Mar. 1	Feb. 22
National Biscuit pfd.	7%	$1.75	Feb. 29	Feb. 11
Do., com.	$2.80	70c	Apr. 15	Mar. 18
N. S. Light & Pr. pfd.	$6	$1.50	Mar. 1	Feb. 13
Ogilvie Flour Mills pfd.	$7	$1.75	Mar. 1	Feb. 22
Nor. Ont. Power	$2	50c	Apr. 25	Mar. 31
Do., pref.	6%	1½%	Apr. 25	Mar. 31
Page Hersey	$5	$1.25	Apr. 1	Mar. 19
Do., pref.	$7	$1.75	Apr. 1	Mar. 19
Provincial Bank	$9	$2.25	Mar. 1	Feb. 15
Photo Engravers	$2	50c	Mar. 1	Feb. 15
Rolland Paper, pref.	$6	$1.50	Mar. 1	Feb. 15
Royal Bank	12%	3%	Mar. 1	Jan. 30
Reliance Grain, pref.	6½%	1⅝%	Mar. 15	Feb. 29
Sherwin Williams pfd.	7%	1¾%	Mar. 31	Mar. 15
Simon, H. & Sons, pref.	7%	1¾%	Mar. 1	Feb. 20
Siscoe Gold Mines	...	4c	Mar. 31	Mar. 21
Simcoe Tobacco, pfd.	...	7%	Mar. 1	Feb. 15
Standard Steel, pref. "A"	$3	75c	Apr. 1	Mar. 15
Western Empire Life Assur.	4%	4%	Mar. 1	......
Walker, Hiram	25c	6¼c	Mar. 15	Feb. 22
Windsor Hotel, pref.	$6.50	$1.62½	Mar. 1	Feb. 15

Dividends Passed or Deferred:

Canada Wire & Cable, Class "B" Mar. 15 passed. Last paid 25c. Dec. 15, 1931.

Upper Canada Investment pref. Payment due Mar. 1 not declared. Future payments may be semi-annual. Last payment 43¾c. Dec. 1, 1931.

Simon, H. & Sons, com., Mar. 1 passed. Last paid 62½c. Dec. 1, 1931.

David & Frere "A" com. Mar. 15 passed. Last paid 25c. Dec. 15, 1931.

International Nickel, com. Mar. 31 passed. Last paid 5c. Dec. 31, 1931.

Union Gas, com., Mar. 10 passed. Last paid 25c. Dec. 10, 1931.

Anglo-Nor. Holding, c. Mar. 24, passed. Last paid 25c. Mar. 24, 1931.

Cooksville Co. pref. Mar. 15, passed. Last paid $1 Dec. 15, 1931.

Quebec Power, April 15, deferred to May 15, 1932. Future payments to be made quarterly Feb., May, Aug. and Nov. 15.

Shawinigan W. & Pr. April 10, deferred to May 15, 1932. Future payments to be made quarterly Feb., May, Aug. and Nov. 15.

Sherwin Williams com. Mar. 31 passed. Last paid 40c. Dec. 31, 1931.

Medicine Hat Greenhouses pref. Jan. 15, passed.

Dividend Rate Reduced:

Can. Car, com., 25c. Feb. 29, reduced from $1.75 to $1 per annum.

Extra Dividends:

Montreal Loan & Mortgage 1% March 15.
Imperial Tobacco, com. final div., 17½c. Mar. 31.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Ltd.,
Canada Permanent Bldg., Toronto, Ont.
February 22, 1932

Provinces	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
*Alberta	4½	1 Oct., 1958	1 April	78.40	6.15
Alberta	5	1 July, 1943	1 July	89.10	6.35
Alberta	6	1 Apr., 1936	1 April	98.45	6.40
*British Columbia	4½	1 Oct., 1953	1 April	81.80	6.00
*British Columbia	5	15 Jan., 1948	15 July	89.60	6.00
British Columbia	6	15 Feb., 1947	15 Aug.	98.00	6.20
Manitoba	4	1 July, 1947	1 July	76.62	6.40
*Manitoba	5	2 Dec., 1959	2 June	84.15	6.20
Manitoba	4½	1 Oct., 1940	1 April	88.90	6.20
*New Brunswick	4	1 June, 1948	1 June	84.35	5.45
*New Brunswick	4½	15 June, 1936	15 June	97.25	5.45
New Brunswick	6	1 Jan., 1936	1 July	101.40	5.60
*Nova Scotia	4½	15 Nov., 1948	15 May	89.55	5.45
Nova Scotia	5	1 May, 1943	1 May	94.95	5.60
*Nova Scotia	6	1 Nov., 1936	1 May	101.70	5.60
*Ontario	4½	1 Sept., 1944	1 Mar.	93.00	5.25
Ontario	5	15 Oct., 1948	15 Apr.	94.52	5.50
Ontario	6	2 May, 1936	2 May	101.00	5.75
P. E. I.	4	1 Apr., 1939	1 April	89.45	5.75
P. E. I.	4½	1 Oct., 1944	1 April	88.65	5.75
Saskatchewan	4½	1 May, 1961	1 May	87.10	5.10
Saskatchewan	4*	1 Oct., 1944	1 April	83.40	6.40
Saskatchewan	5	1 Oct., 1950	1 April	86.20	6.25
Saskatchewan	6	1 Feb., 1936	1 Aug.	97.40	6.75
Cities					
*Montreal	5	1 Sep., 1963	1 Mar.	92.50	5.50
*Toronto	4*	1 Jan., 1955	1 July	87.05	5.50
*Vancouver	5	15 Jan., 1970	15 July	83.80	6.10
Winnipeg	5	1 Mar., 1944	1 Mar.	88.85	6.30
*Edmonton	5*	1 Apr., 1947	1 April	85.95	7.00
Calgary	5	1 Jan., 1942	1 July	84.85	7.00
Halifax	6	1 July, 1951	1 July	98.85	6.10
Saint John	5	15 Dec., 1950	15 June	88.75	6.00
Regina	4*	1 July, 1950	1 July	74.30	7.00
Victoria	5	21 July, 1945	21 July	88.70	6.25
Quebec	5	1 June, 1948	1 June	93.10	5.65

*New York payment.

Foreign Exchange

	New York Funds High (Premium)	Low	Last Year High (Premium)	Low
	%	%	%	%
February 17	14⅝	14 7-16	1-32	1-64
February 18	14½	14 7-16	3-128	Par
February 19	14½	14⅛	1-64	Par
February 20	14	13⅞	1-64	Par
February 22	13⅝	13½	1-64	Par
February 23	13½	13	1-64	Par

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
February 17	3.44 1-2	3.94 3-8	5.20
February 18	3.44 1-2	3.94 1-8	5.19 3-4
February 19	3.45	3.94 1-16	5.19 3-4
February 20	3.44 7-8	3.94 5-16	5.19 3-4
February 22	....	....	....
February 23	3.47 1-4	3.93 5-8	5.19 3-4

FOREIGN EXCHANGE

Par		Feb. 9	Feb. 16	Feb. 23
5.26	*Italian	6.04½	5.96½	5.87¾
23.80	German	27.61¾	27.30¾	26.89¾
13.90	Belgian	16.18	16.01	15.74
49.80	Japanese	42.43	41.02	39.60

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)

February 23, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.20	.40
Acadia Sugar pfd.	1.00	2.75
Acme Farmers Dairy pfd.	74.00	....
Allens Coll. pfd.	30.00	....
Allens Lond. pfd.	30.00	....
Andian N. Corp.	20.00	25.00
B. C. Pulp & Paper c.	....	3.00
B. C. Pulp & Paper 7% pfd.	16.00	....
Can. & Dom. Sugar c.	16.50	18.00
Can. Biscuit pfd.	....	9.00
Can. Machinery c.	4.00	6.25
Can. Machinery 7% pfd.	20.00	30.00
Can. Packers 7% pfd.	77.00	82.00
Can. Packers c.	12.00	14.00
Can. Starch pfd.	64.00	....
Can. Tea pfd.	54.00	....
Can. Wire & Cable pfd. W.W.	83.50	88.50
Can. Celanese pfd.	50.00	....
Can. Indus. c. 'A'	78.00	....
Do., "B"	78.00	83.00
Do., 7% pfd.	100.50	109.00
Can. West'house.	50.00	56.50
Chase, A. W. Units	31.00	36.00
Cons. Oka Sand & Gravel pfd.	48.00	....
Copeland Flour 6% pfd.	....	10.00
Dairy Corp. pfd.	....	38.00
Dodge Mfg. "A" pfd.	7.00	....
Dodge Mfg. "B" com.	.50	....
Dom. Foundries & Steel pfd.	56.50	....
Dom. Foundries & Steel com.	7.25	10.00
Dom. Manuf. pfd.	71.00	....
Dunlop Tire 7% pfd.	....	70.00
East. Car 6% pf.	44.00	....
Fed. Grain pfd.	21.50	29.00
Goderich Elevator & Transit	14.50	17.00
Greening Wire 7% pfd.	81.00	88.25
Guard. Realty pf.	33.00	40.00
Guelph Carpet pf.	70.00	....
Hard. Carpet pfd.	....	50.00
Inter City Baking com.	33.00	43.00
Internat. Prop. A	21.50	24.75
Loew's London c.	.50	2.00
Loew's Lond. pfd.	3.50	5.25
M. & P. Stores pf.	....	91.00
Massey-Harris pf.	10.00	14.00
Morrow Screw Nut 7% pfd.	94.00	98.00
Mount Royal Htl. Scrip	1.00	....
Mount Royal Htl. com.	1.50	3.25
Mount Royal Htl. 6% pfd.	11.00	16.50
Nat. Grocers c.	.75	1.50
Nat. Grocers 2nd 7% pfd.	35.00	41.00
Para. Oshawa c.	8.00	....
Prov. Paper pfd.	....	65.00
Rolland Paper pfd. W.W.	35.00	....
Standard Clay Products c.	9.00	16.00
Standard Fuel pfd. bonus	54.00	61.00
Supertest Petrol. "B" pfd.	16.25	....
Toronto Brick pf.	37.00	60.00
Tor. Carpet c.	114.00	....
Tor. Carp. 8% pf.	95.00	....
Tor. Elev. 7% pf.	64.00	75.00
Tor. Housing c.	20.00	29.00
United Amuse. A	13.50	....
West. Grain pfd.	14.00	21.00
Willards Choc. pfd.	20.00	35.00
Insurance Stocks:		
Br. Amer. Assce.	28.00	....
Can. Life Assce.	430.00	515.00
Can. Nat'l Fire	18.00	28.00

	Bid	Asked
Can. Fire Ins.	74.00	80.00
Capital Life 20% pd.	10.00	20.00
Confederation Life 20% pd.	150.00	190.00
Crown Life Ins.	91.00	....
Dominion Fire	85.00	125.00
Dom. of Can. Gen. Ins.	185.00	230.00
Dominion Life 50% pd.	275.00	375.00
Excelsior Life 30% pd.	90.00	120.00
Fidelity Insur. of Canada	....	71.00
Great West Life	300.00	340.00
Guarantee Co. of N. A.	245.00	....
Halifax Fire	11.00	16.00
Imperial Life	290.00	350.00
Manufac. Life	260.00	295.00
Monarch Life 10% pd.	20.00	30.00
National Life 25% pd.	110.00	123.00
Saskatchewan Life 10% pd.	....	17.00
Sovereign Life 25% pd.	20.00	30.00
Sun Life Assur.	450.00	550.00
West. Assur. Co.	19.00	28.00
Western Life 20% pd.	8.00	13.00
Trust & Loan Stocks:		
Brit Mtge. & T.	170.00	....
Can. Gen. Invest. Ltd.	5.25	6.50
Chartered Trust	85.00	95.00
Debenture & Sec. com.	....	30.00
Debenture & Sec. pfd.	....	50.00
Eastern Can. Sav. & Loan	115.00	140.00
Eastern Trust	144.00	176.00
Guelph & Ont. Inv. par $50	50.00	65.00
Investment Found. Units	19.00	25.00
Lambton Loan & Savings	65.00	85.00
London & West. Trust	98.00	110.00
Midland Loan & Savings	14.50	....
Mtge. Disct. pfd.	....	4.25
Mutual Fin. pfd.	2.50	4.50
Mutual Fin. com.	2.50	4.50
Premier Trust	70.00	....
Security Loan & Savings	100.00	120.00
Sherbrooke Tr.	110.00	....
Sterling Trust	....	90.00
Traders Fin. pfd.	31.00	40.00
Traders Fin. com.	....	3.50
Trusts & Guar.	63.00	72.00
Victoria Trust & Savings	172.00	....
Waterloo Trust & Savings	120.00	140.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	93.00	94.50
Calgary Pwr. pfd.	64.00	70.00
Can. Light & Power c.	18.00	25.00
Can. West. Nat. Gas LH&P c.	16.00	22.00
Can. West. Nat. Gas LH&P pfd.	67.00	72.00
Great Lakes Pwr. pfd.	....	80.00
N.B. Pwr. 1st pf.	48.00	57.00
N.B. Telephone c.	9.00	14.00
N.S. L&P pfd.	67.00	82.00
Ottawa LH&P 6½% pfd.	93.25	101.00

Recent London Quotations:

Brewer Distillers	2s. 6d.
Can. & For. Sec.	3s. 9d.
Can. West. Lumber	1s. 6d.
Hudson's Bay	18s. 9d.
Do., 5% pfd.	52s. 6d.
Internat. Holdings	$1¼
Nfld. Pr. & Pap. deb. stk.	83
Trust & Loan of Can. (15s. pd.)	5s.

Active Current Bond Prices

February 22, 1932

	Bid	Asked	Yield
Dominion of Canada 5½/33	100½	101.	4.80
Dominion of Canada 5½/34	100.	100½	5.40
Dominion of Canada 5/43	96¾	97¼	5.31
Dominion of Canada 4½/46	91½	92.	5.28
Dominion of Canada 4½/56	88¾	89¼	5.30
Dominion of Canada 5/36	97½	98.	5.46
Dominion of Canada 5/41	96¾	97¼	5.34
C. N. R. (Dom. of Can. Guar.) 4½/51	89¼	89¾	5.35
C. N. R. (Dom. of Can. Guar.) 4¾/55	91½	92½	5.31
C. N. R. (Dom. of Can. Guar.) 5/54	93½	94¼	5.43
C. N. R. (Dom. of Can. Guar.) 5/69	94¾	95½	5.33
Province of Ontario 5/48	94.	95.	5.45
Province of Ontario 5½/47	99¾	99¾	5.52
Province of Ontario 6/35	100¾	100¾	5.70
Province of Ontario (Hydro) 4½/70	86.	87½	5.54
Province of Quebec 4½/56	88.	90.	5.29
City of Montreal 6/41	100.	103.	5.55
Abitibi Power & Paper 5/53	44.	48.	...
Argentine Gov't. (Ser. B) 6/58	55½	56½	...
Beauharnois Power 6/59	52.	55.	12.00
Bell Telephone Co. of Canada 1st, 5/57	100.	103.	4.80
Brazil, U. S. of, Ext. S. F. 6½/57	19¾	20½	...
British Columbia Power 5/60	78.	83.	6.10
British Columbia Power 5½/60	84.	90.	6.25
British Columbia Telephone 5/60	88½	90½	5.60
Calgary Power 5/60	78.	83.	6.30
Canada Cement 1st Mtge. S. F. 5½/47	89.	91.	6.00
Canada Northern Power Corp. 5/53	75.	78.	7.00
Canada Steamship Lines 6/41	35.	40.	...
C. P. R. Collateral Trust 5/54	85.	88.	6.05
C. P. R. Secured Notes 4½/44	77.	81.	6.45
Chile Republic Ext. S. F. 6/60	12.	12¾	...
Columbia Republic Ext. S. K. 6/61	23½	24.	...
Davies, Wm. 6/42	75.	80.	9.00
Dominion Canners 6/40	96.	100.	6.00
Dominion Square Corporation 6/48	55.	60.	11.30
Dominion Tar & Chemical 6/49	77.	82.	7.90
Dominion Textile 6/49	96.	100.	6.00
Duke Price Power 1st, 6/66	81.	87.	7.00
Eastern Dairies, Ltd., Conv., 6/49	86.	92.	6.80
Eaton, T Realty 5/49	84.	90.	5.90
Famous Players 6/48	68.	76.	8.80
Federal Grain 6/49	60.	70.	9.10
Foreign Power Securities Corp. 6/49	60.	75.	8.80
Fraser Companies 6/50	35.	45.	...
Gatineau Power, 1st Mtge. 5/56	77.	80.	8.75
Gatineau Power, S. F. Debs. 6/41	68.	71.	11.00
General Steel Wares 6/52	35.	40.	...
Howard Smith Paper Mills 5½/53	58.	64.	9.30
Harris Abattoir 6/47	80.	85.	7.75
Manitoba Power, 1st S. F. 5½/51	60.	70.	8.75
Maple Leaf Milling 5½/49	59.	65.	9.30
Massey-Harris 1st Mtge. 5/47	65½	69.	8.45
MacLaren Quebec Power 5½/61	77.	81.	7.00
Montreal Coke, 1st S. F. 5½/47	94.	98.	5.70
Montreal Island Power 5½/57	86.	89.	6.40
Montreal Light, Heat & Power 5/51	96.	99.	5.11
Montreal Tramways 1st Coll. Trust 5/41	91.	94.	5.85
Montreal Tramways Gen. Ref. 4½/55	70.	75.	6.60
Montreal Tramways 5/55	78.	82.	6.50
Moodie, J. R. 6/48	85.	90.	7.00
Ontario Power Service 5½/50	62.	68.	9.10
Ottawa Valley Power 5½/70	89.	92.	6.05
Power Corporation of Canada 4½/59	60.	67.	7.30
Price Bros. 1st S. F. Ser. "A" 6/43	50.	60.	11.60
Quebec Power 1st Mtge. Coll. S. F. 5/68	83.	86.	5.95
Shawinigan Water & Power 4½/70	83.	88.	5.20
Shawinigan Water & Power 5/70	93.	97.	5.20
Simpsons 6/49	78.	85.	7.50
Southern Canada Power 1st, 5/55	90.	96.	5.30
United Securities Coll. Trust 5½/52	80.	90.	6.87
West Kootenay Power 5/56	84.	88.	6.00
Windsor Hotel 6½/43	90.	100.	6.50
Windsor Hotel 6/47	80.	90.	7.10
Winnipeg Electric 5/35	90.	100.	5.00
Winnipeg Electric 6/54	55.	65.	10.00

Stocks With Minimum Prices

Atlantic Sugar, com.	18½
Calgary Power	125
Can. Nor. Power, c.	16½
Can. Bronze	16
Do., pref.	90
Can. Canners, c.	8
Do., 1st pref.	80
Do., convert. pfd.	9
Can. Celanese, pref. 7%	60
Can. Converters	25
Can. Cotton	40
Can. Hyd.-Elec. pfd.	60
Dominion Bridge	27
Dominion Coal, pfd.	20
Dom. Glass, com.	75
East. Dairies	16
East. Steel, com.	15
Do., pref.	97
Gurd & Co.	19
Hillcrest Coll., pfd.	80
Inter. Power, pref. 1st	57
Jamaica Pub. Ser.	40
Do., pref.	100
Mitchell, J. S.	30
Mont. Light, Heat	36
Nat. Breweries	24
Do., pref.	31
Ogilvie Milling	185
Ottawa L. H. & Pr.	104
Penmans, com.	30
Power Corp.	36½
Price Bros.	25
Do., pref.	70
Quebec Power	29
Shawinigan Power	33
Simons & Sons	13
Do., pref.	85
Viau Biscuit, pfd.	75
Weston's, com.	38
Do. pref.	75
Windsor Hotel	10
Do., pref.	72
Winnipeg Electric, pref.	50
Woods Mfg., pref.	40
Trust and Loan	
Canada Perman.	185
Central Can. Loan	295
Economic Invest.	32
Huron & Erie	139
Do., 20% paid	23
Landed Banking	145
National Trust	245
Ontario Loan	114½
Real Estate Loan	105
Tor. Gen. Trusts	210
Tor. Mortgage	105
Union Trust	95
Banks	
Banque Canadienne	155½
Bank of Commerce	186
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Imperial Bank	188
Bank of Montreal	215
Bank of N. S.	269
Royal Bank	211
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FRIDAY, THE FIRST DAY OF APRIL

next, to Shareholders of record at the close of business on the Fifteenth day of March, 1932.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, February 17th, 1932.

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Canadian Industries Hold Business Volume During Year Passed

Share Profits Down on Larger Amount of Stock

ADD NEW GROUP

Strong Liquid Position of Company Evidenced by Balance Sheet Figures

From Our Own Correspondent

MONTREAL. — Extension of activities enabled Canadian Industries Ltd. to maintain its volume of business during 1931, and total income at $3,433,540 was only off 6½ per cent from the $3,712,044 recorded in the previous year.

This is equivalent after providing for depreciation charges and preferred dividends to $4.65 a share on the 667,890 shares of common stock outstanding, as against $5.09 a share on 665,695 shares outstanding in the previous year.

Generally speaking, the year was one of progress for the company, considerable expansion being carried out resulting in the addition of a new group, known as Viscose, which will handle the manufacture of cellophane. Liquid financial position has been maintained at an exceptionally high level, inventory values have been adjusted to new price levels, etc.

Sources of Income

Income last year was derived from three sources: $2,529,928 from operations, $875,817 from investments and $27,795 profit on realization of assets, making in all $3,433,540. During the previous year income from operations totalled $2,707,205; $970,205 from investments and $34,633 profit on realization of investments, or $3,712,044 in all.

Particulars of the income account for the past two years follow:

	1931 $	1930 $
Total income	3,433,540	3,712,044
Less: Pfd. divd.	325,500	325,500
Com. divd.	3,005,487	3,328,458
	102,553	58,086
Less: Income tax	74,599	......
	27,954	58,086
Brt. forward	12,400,966	12,342,879
Total surplus	12,428,920	12,400,966
Less: Provision for sec. dep.	1,200,000	......
	11,228,920	12,400,966

The strong financial position of the company is well illustrated by the balance sheet, which shows an increase in assets from $46,578,469 to $47,363,300 at the close of 1931. Working capital underwent a slight improvement, standing at $13,830,444.

Cash is shown at $1,361,106, of which $326,769 represents American funds. This is a gain of 200 per cent in total cash over that reported in 1930.

Enlarge on Report

It is noted that the company has opened up its balance sheet and made several rearrangements of items, which makes it more readable to the average shareholders. Marketable securities of $8,395,339 in the 1930 report are shown in the 1931 statement as $5,774,178 of government bonds and $1,930,166 of marketable securities. There is a new item of $195,000 in call loans and also $32,236 in notes receivable.

Accounts receivable have been reduced from $2,230,052 to $2,094,883, while inventories have been readjusted to $4,598,898 down from $5,062,614 a year ago.

Securities held for investment off slightly from $3,998,963 to $3,967,091.

There has been a reduction in current liabilities from $2,340,251 to $2,165,026.

Canadian Salt Equipment trust notes outstanding have been reduced from $42,000 to $28,000.

Segregate 1931 Reserves

Reserves are segregated in the 1931 report. The previous statement showed reserves at $8,543,174. The current report shows aggregate reserves of $10,465,251, made up of $1,200,000 as provision for depreciation of government and other securities; $7,388,237 depreciation of plant and equipment; and $1,877,013 for accidents, pensions and benefit plans.

There was no change in the amount of preferred and Class "A" stock outstanding during the year. The amount of "B" stock issued increased from 49,721 to 51,916 shares.

Deals With Operations

In his report to the shareholders, which is a cross-section review of the heavy chemical industry in Canada, Arthur B. Purvis, president, had the following to say, in part:

"Even with the very depressed industrial conditions and the lower price level which prevailed throughout 1931, new activities in which your Company engaged during the year enabled it to maintain practically the same gross dollar value of sales as during the year 1930. Eliminating these newer activities the comparison showed a 6 per cent decrease.

"Throughout the year your company's established policy of maintaining plant facilities in first-class conditions was closely followed.

Heavy Chemical Group

This group embraces the manufacture of salt, liquid chlorine and caustic soda, acids and ammonia; and despite the fact that it was necessary to close down some plant units partially or wholly for a considerable part of the year, owing to cessation or falling off in demand for the products there manufactured, substantial progress was made in achieving better operating efficiencies and earnings for the group as a whole.

"A pilot plant for the manufacture of liquid sulphur dioxide at the Hamilton acid plant; an oleum unit at Copper Cliff works; and the addition of facilities for the manufacture of smoked salt at the Sandwich plant, were completed during the year.

"The unfavorable conditions affecting sales of explosives for base metal mining were partially offset by activity in gold mining and in road and other public works construction. The tendency toward higher costs of operation resulting from curtailment in total volume of business available was met by further operating efficiencies, which permitted the resumption during the latter part of the year of the policy of reducing selling prices, a policy which it will be remembered was followed closely throughout the boom period when prices of many other commodities were rising.

"While ammunition sales showed a further contraction in 1931, this Division again obtained a greater proportion of the total business available.

"The further decline in the automobile business affected the operations of the three divisions comprising fabrics, finishes and pyralin unfavorably, as these divisions have always relied on that industry for an important part of their sales volume.

"The fabrikoid division, however, made very satisfactory progress in establishing new outlets for its products, and the paint and varnish division was able partially to offset the effects of the loss of automobile business by increasing its share of the business of other industrial customers.

Fertilizer Sales Substantial.

"The prices obtaining for farm products during 1931 tended naturally toward a restriction in the use of fertilizers, but in spite of this and of the fact already mentioned that part of the plant capacity only became available late in the year, a large volume of sales was enjoyed. While dumping of super-phosphate into Canada still continues, it is believed that with the greater plant facilities now available, with the progress achieved during the past year in distribution arrangements, and with advantages to be gained from the inter-relation of this with other activities, your company is from now onwards well placed to occupy an important position in this industry.

"A new super-phosphate plant at Hamilton to be run in conjunction with the dry-mixing unit already established there was completed in the autumn of the year.

Will Produce Cellophane

"Arrangements were completed with the du Pont Cellophane Company to acquire the Canadian rights for the manufacture of cellophane, a transparent moistureproof wrapping material, the basic substance used in its manufacture being wood pulp. Your company engaged in the resale of this product as from August 1, 1931, and a plant for its manufacture, which it is anticipated will be in production in the spring of 1932, is now being constructed at Shawinigan Falls, Quebec.

Investment Income

"Income from investments declined approximately 10 per cent as compared with the previous year. This decline can be attributed to the elimination of the special dividend received in 1930 on the company's stock-holding in General Motors Corporation; to a reduction in outside investments resulting from the necessity of providing funds for additional plant facilities; to lower rates of interest on bank deposits and call loans; and to increased taxation on interest and dividends received.

"No dividends were available from your company's minority stockholdings in the Dunlop Tire and Rubber Goods Company, Limited, that company, in line with the general experience in the industry, having encountered a poor year.

Bank Merger Plans Denied at Ottawa

A rumor in the earlier part of the week to the effect that two of the Canadian chartered banks were contemplating merging was "scotched" in the incipient stage by Edgar N. Rhodes, federal minister of finance, who stated definitely, in answer to a question in the House, that no application had been received by him for permission for such a plan, nor had any representations been made, nor had negotiations taken place relative thereto.

The last bank merger to take place in Canada was at the end of 1928 when the Canadian Bank of Commerce absorbed the old Standard Bank of Canada. The two previous to that also concerned the Standard Bank, it having taken over the Sterling Bank of Canada in 1924 and the Western Bank of Canada in 1909.

DIVERSIFICATION ENSURES BEST INVESTMENT RESULTS

(Continued from page 11)

these percentages should apply more particularly to institutions such as insurance companies and not to the man of moderate means who is laboriously saving a competence and secondly, because the problem of investing is a personal and individual problem requiring individual consideration.

Diversification is an investment device of great merit. For the small investor it means maintaining his funds in a fixed amount of first-class bonds of unquestioned safety; for the larger investor it means the addition of less conservative, but highly regarded, investments with the purpose, not only of obtaining higher income, but of offsetting some of the hidden uncertainties inherent in even the most conservative investment.

Finally, diversification means the selection of good securities of various kinds and of various issuers so that vain regrets may be avoided and the investment fund may grow steadily.

Let me repeat that there is no lack of securities available to attain diversification. Thousands of different bonds and stocks have been issued which permit investment in nearly every country on the globe, and in every type of industrial activity. Your problem is not one of finding securities to diversify your list; it is one of saving persistently, of investing intelligently and of diversifying wisely as your wealth increases.

Most men devote much of their effort in life to earning an income; few prepare themselves for wise saving and investment. And yet, investment requires deep and frequent consideration if it is to be successful. Shortly before his death the late C. W. Barron, for many years publisher of the Wall Street Journal, dictated the following note, "A man's investments should grow with his life and be like a watered and studied and tended garden by his side, yielding intellectual and financial fruit as well as mutual development."

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FAIRHALL TRUSTS' PLAN MEETING WITH DISFAVOR

(Continued from page 11)

would be the same as that for Second Diversified Standard Securities.

The relationship existing between the old Class "A" and common stock and Class "B" and founders' stock in respect to dividends remains unchanged under the new set-up. Class "A" shares, under the plan, receive parity up to 50 cents a share; after that both stocks share alike.

As pointed out in The Financial Post of January 30th, capital of the new company will be distributed as follows:

The new preferred will go to the holders of the old preferred, while 151,465 shares of Class "A" stock will be distributed among the old preferred shareholders and holders of the old senior common stock. All of the Class "B" stock amounting to 112,500 shares goes to the holders of the founders' stock in the three trusts. The latter stock has double voting rights, so that these holders retain control of management.

It would appear that the old shareholders are not bemoaning their losses, but feel that the reorganization plan should provide for continuation of the cumulative feature on the senior stock and that they should have control, or an equal share in the management of the new organization.

It is felt that the holders of the senior securities should have more say in the management of their property. They find it difficult to understand why the present management should be allowed to continue controlling the new organization through holding the majority voting stock, which represents no real equity when their original investment policy has not been very successful.

Files Three Objections

Editor, The Financial Post,

As a shareholder in the F. J. Fairhall and Associates Diversified Standard group I read with a great deal of interest the account of a meeting between the Waterloo and Kitchener shareholders of this group and a member of the executive of the company. There is no doubt that a large part of the present difficulty of the various diversified standard group is due to the collapse of stocks, and the promoters can hardly be held responsible for this as practically every other trust has been equally hard hit.

However, the promoters can be held responsible for the offer they are now making to the shareholders, or at least part of the offer. I refer to the exchanging of cumulative for non-cumulative shares. The fact that these shares were cumulative was one of the strong arguments used by salesmen in selling these shares and it was also heavily stressed by the promoters in all their literature, "ads." etc.

I refer also to the proposal for taking the stock out of the hands of the trustees, thus permitting the promoters to handle the shares they have invested in just as they may see fit. The fact that these shares were "trusteed" was another strong argument used by salesmen when selling the shares and it also was stressed heavily by the promoters in all of their literature and ads.

When these trusts were formed it was understood and so told by the salesmen, and widely advertised in all the literature and ads. sent out by the promoters, that nothing but stocks of the "Standard Oil group" were to be invested in, and some of their literature strongly stressed the immense profits made by Standard Oil stocks over a short term of years.

There is no question of the profits that have been made in the past in Standard Oil shares, and the same will be true in the future. Some time ago the promoters sought the proxies of the shareholders — and secured them—the promoters to invest in others than the "Standard Oil group," and this is where, in my opinion, a huge mistake was made by those who sent in their proxies. There are few shares of the "Standard Oil group" that are not as "good as gold" and during a long period of years they have stood the test of time. Personally I feel there is no safer stock to invest in. However, the shareholders made the mistake of permitting the promoters to make the change. In my opinion they are now going to make another mistake, several of them in fact, if they permit the promoters to do away with the trustees; also if they permit them to make the exchange of a cumulative for a non-cumulative stock. So far the promoters have not made a brilliant success of the various trusts and while perhaps they are not altogether to blame, because of the existing conditions, I quite agree with the shareholders in Waterloo and Kitchener that the shareholders of the various trusts should be strongly represented on the board of directors. Further, the voting control of the trusts should not be placed in the hands of the promoters or founders. I note that the executive of the promoters who conferred with the Waterloo-Kitchener shareholders when asked by them if they could obtain a list of the preferred shareholders replied that "It could be done but at considerable expense." It can easily be done and the expense would not be very heavy. The promoting company certainly have a complete list of the shareholders together with their addresses and the number of shares held by each. They use this for mailing purposes as is easily proved by the recent circulars sent out requesting proxies, etc. A couple of good stenographers could easily type off this list in a few days and the "expense" would not be great.

Possibly this request of the Waterloo-Kitchener shareholders is responsible for the "post haste" which the promoters are making in this section to obtain proxies. Within the past few days they have sent out former salesmen to interview all shareholders and to secure, if possible, their proxies.

If the shareholders in Kitchener-Waterloo decide to act along the lines they started on as outlined in The Post I am with them and will pay my share of the expense and will "line up" some other shareholders that I know here; but act at once!

Personally I think the management now in charge of the promoting company are honest, and are doing what, in their opinion, is the correct thing to pull the trusts out of the hole, but I think they are mistaken in their methods as I mentioned in my three objections in this letter.

ST. JOHN SHAREHOLDER.
St. John, N.B., Feb. 20, 1932.

Should Explain Losses

Editor, The Financial Post,

Two weeks ago you published full particulars in connection with the re-organization of Diversified Standard Securities, Ltd., and, being a shareholder, I think there is ample opportunity for your paper to further investigate the situation, which has turned out so disastrously for the stockholders.

There is no criticism to offer because they suffered depreciation on their holdings, which could hardly be avoided in the unprecedented drop in the security market, even in spite of the fact that from time to time the shareholders were advised of outstanding authorities being engaged in order to protect their investments, but why is it necessary that there should be a re-organization because the value of the portfolio has depreciated? Some time or other, if strictly abiding by the original terms of the contract with the shareholders, whereby they only invested in Standard Oil Securities, there would in all probability be a fair chance of values returning, if not to the full purchase price, at least partly so. Now, the shareholders are requested to recapitalize at the present market value, which I think they should not be asked to do. Again, the list of securities in their portfolio, as submitted on November 30th, 1930, indicated that they had deviated largely from the Standard Oil Group, which so far as I can make out they were not permitted to do according to their agreement, and in this list was included Dalhousie Oil. No particulars of the amount of their holdings were given in this list and so far as is learned the company refused to publish the amount of their different holdings, but how it could ever be figured that Dalhousie Oil was a fit security to be held in an investment trust is beyond conception, even if it had speculative possibilities. The whole thing seems to the writer to be an outstanding example of abuse of corporate power.

No explanation, except general, is given by the directors as to the unhappy results that have been obtained, and the shareholders are again requested to give the same management another trial, and also keep them in control through the voting power being controlled through the Class B common stock, which replaces what they term "Founders' Shares." They get half a share of the new Class B common stock for each old share held of founders' stock, the former carrying double voting power. Those who really put the money into the company are to get 7/25ths of one share plus 1/10th of Class A common.

The securities got a wide distribution among a large number of shareholders who purchased same for investment purposes, and instead of going into a merger with other allied companies it would seem more in the interest of the shareholders to have all the securities held turned over to a trust company, and permit them to hold these, together with a shareholders' committee, with a view to ultimate liquidation and distribution of the assets in proper time. In any event, in view of the lack of time for proper organization of the shareholders, and as most of the securities were sold in Ontario, the holders being unable to go to Montreal in any number to put up an argument, it seems that the management should give further explanations as to where and how the heavy losses were incurred, and also as to why they consider that the Founders' Shares should control the company.

SHAREHOLDER.
Winnipeg, February 10, 1932.

Week's Canadian Quotations—Continued

Listed Bond Quotations

Week Ending February 22

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1932 High	Range 1932 Low
Abitibi, 1st mtge.	5	1953	...	39½	...	...	46	34⅛
Asbestos	5	1942	...	65	...	...	65½	...
Asbestos, 1st mtge.	6	1941	...	...	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69½	...
Can. Cottons	5	1940	6.48	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (La. Ser.)	5½	1958	...	†10	7	...	7	7
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S. S. deb.	5	1943	...	...	...	...	‡98½	...
Cedars Rapids	5	1953	5.15	†100	...	...	98	98
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dom. Coal	5	1940	5.29	...	...	...	*98½	98
McNish	6	1948	...	†2.00	...	...	*3.25	2.25
Mex. L. & Pr.	5	1940	...	...	...	...	*78½	70½
Mont. L. H. & P.	4½	1932	...	...	...	...	‡100	98¾
Mont. Tr. 1st mtge.	5	1941	5.83	...	...	...	*101½	90½
Mont. Tr. "A"	5	1955	6.70	...	80½	79½	80½	79½
Mont. Tr. G. & R. "B"	5	1955	6.75	...	...	...	79¾	78¾
Do., "C"	4½	1955	5.64	...	...	...	*85	84
Do., "D"	5	1955	6.85	...	...	...	78½	78
N. S. Steel	5	1959	...	...	...	...	*62⅞	59
Ogilvie Flour "A"	6	1932	6.00	100	...	...	100	...
Do., "B"	6	1932	...	100	...	...	‡100⅝	100
Do., "C"	6	1932	6.00	100	...	...	100	...
Ont. Steel	6	1943	5.94	100½	...	...	100½	...
Porto R. Pr.	5	1936	7.95	...	...	...	*93	88
Steel of Can.	6	1940	4.98	102½	...	...	*107½	106¾
Wayagamack	6	1951	...	†41	...	...	*75	45
Winn. Elec.	5	1935	5.12	†91	...	...	*99½	98¾
Toronto								
Canada Bread	6	1941	...	83	...	...	*101½	100
Steel of Can.	6	1940	5.62	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	3.72	105.75	105.75	....	105.75	105.00
Victory Loan	5½	1933	4.95	100.70	....	....	100.50	100.25
Do.	5½	1934	5.40	100.10	100.20	99.62	100.20	99.25
Do.	5½	1937	4.88	105.15	105.00	104.75	105.00	104.00
Do., refund	4½	1940	5.55	92.50	93.25	92.50	93.25	91.50
Do., refund	5	1943	5.38	96.75	96.75	96.00	97.00	95.38
Do., refund	4½	1944	5.35	91.50	....	....	91.25	89.50
Do., refund	4½	1946	5.26	91.50	....	....	....	....
Do., renewal	5½	1932	4.45	100.35	100.25	....	100.25	99.87
Conversion Loan	4½	1956	5.28	88.75	....	....	88.50	88.25
Do.	4½	1957	5.30	88.75	....	....	....	....
Do.	4½	1958	5.27	90.25	90.80	....	91.00	88.50
Do.	4½	1959	5.82	90.25	90.80	90.50	90.80	89.00
Nat. Service Loan	5	1936	5.48	97.75	97.50	....	98.00	96.25
Do.	5	1941	5.36	97.00	96.65	96.50	97.13	94.90

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Winnipeg Grain Prices

Week to February 23

Crop Year from Aug. 14 High	Low		Open Feb. 17	High for week	Low for week	Close Feb. 23
		Wheat				
.76½	.55½	May	.66¾	.68⅞	.65¾	.67½
.77⅛	.61½	July	.68½	.70⅜	.67½	.69
.72⅝	.63⅜	Oct.	.69¾	.72⅜	.68¾	.70⅞
		Oats				
.38	.28	May	.32½	.33	.32½	.32⅝
.37½	.31⅜	July	.32¼	.32¾	.31⅞	.32½
		Barley				
.47⅜	.32½	May	.41⅛	.42½	.40⅞	.41⅞
.45½	.38½	July	.40½	.41⅝	.40¼	.41⅜
.43½	.38½	Oct.	...	.40⅜	.39⅞	.40
		Flax				
1.21	.97½	May	1.06	1.08½	1.04	1.06½
1.16½	1.00½	July	1.06	1.08	1.04	1.06⅝
		Rye				
.59⅞	.32½	May	.47⅜	.48½	.46½	.47
.59	.43⅜	July	.49⅝	.49½	.47¾	.48½

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo

Week to February 23

High *to date	Low *to date		Close Feb. 16	High for week	Low for week	Close Feb. 23
		Wheat				
.72	.53¾	May	.60½	.61⅝	.60	.61½
.62⅜	.53¾	July	.61½	.62¾	.61⅞	.62¾

*Since trading opened March 3, 1931.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Mining Stock Quotations

Week ending February 22

Par Val.	Range 1932 High	Range 1932 Low	Company	Sales	Close Feb. 15 (or last)	High for week	Low for week	Close Feb. 22
1	.05½	.04	Abana	1,500	.05	.05	.04½	.04½
1	.02	.01	Aconda	......	.01	.....	.....	.....
1	*.05½	.03½	Adrien	......	.04½	.....	.....	.....
No	.15	.15	Aldermac	......	.15	.....	.....	.....
1	.08½	.05	Alexandria	37,600	.05½	.06	.05	.05
1	.01½	.00¾	Algonquin	65,500	.01	.01½	.01	.01½
1	.01	.00¾	Amity C.	9,000	.00¾	.00¾	.00¾	.00¾
No	.22	.16	Amulet	400	.17	.17	.16½	.16½
1	.00¾	.00¾	Apex	......	.00¾	.....	.....	.....
1	.01½	.01	Area	1,000	.01½	.01	.01	.01
1	*.01	.00½	Argo. Cons.	......	.01	.....	.....	.....
No	.02	.01½	Arno	41,000	.01¾	.02	.01¾	.01¾
1	.02	.02	Astoria	......	.02	.....	.....	.....
1	*.02	.00¾	Atlas	......	.00¾	.....	.....	.....
1	.06	.03½	Bagamac	32,600	.04¾	.06	.04½	.05½
1	.00¾	.00¾	Baldwin	......	.00¾	.....	.....	.....
1	.11	.06	Barry Hollinger	10,100	.07	.06½	.06	.06½
No	1.00	.85	Base Metals	......	.85	.....	.....	.....
No	*.04	.00¾	Bathurst	......	.03	.....	.....	.....
5s	*1.75	.60	B'Wana McKubwa	......	1.00	.....	.....	.....
1	*.28	.26	Ben Nevis	......	.27	.....	.....	.....
No	.12	.05	Bidgood	18,600	.05½	.06½	.05	.05½
1	.16½	.12	Big Missouri	5,250	.13	.13	.12	.12
1	*.05½	.04½	Blue Quartz	......	.04½	.....	.....	.....
1	.05½	.02½	Bobjo	105,700	.04½	.05½	.04½	.05
No	*.01	.00¾	Boischatel	......	.01	.....	.....	.....
1	.08	.06½	Brett Trethewey	2,600	.07	.08	.07	.07
No	.03	.02	Brownlee	7,500	.02½	.02½	.02½	.02½
1	.00¾	.00¾	Buckingham	......	.00¾	.....	.....	.....
No	.32½	.22	Buffalo Can.	38,950	.29	.32½	.28	.32½
No	.02½	.01½	Bunker Hill	4,000	.01¾	.01¾	.01¾	.01
No	.01	.00¾	Cal. Flin Flon	......	.01	.....	.....	.....
1	*.04	.01	Cambro Kirk	......	.04	.....	.....	.....
No	.03	.03	Canam Metals	......	.03	.....	.....	.....
1	.03½	.01½	Can. Kirkland	10,000	.03	.02½	.02	.02
1	.09	.04	Canusa	63,800	.05½	.08	.05½	.08
1	.02½	.00¾	Capital Rouyn	77,500	.00¾	.00¾	.00¾	.00¾
1	.04½	.02½	Cartier Malartic	4,000	.03	.04½	.03½	.03½
1	.15	.13	Castle Trethewey	3,300	.14	.13½	.13	.13
1	.08	.06	Cen. Manitoba	1,000	.08	.07	.07	.07
1	.07½	.05	Cen. Patricia	1,000	.06	.06	.06	.06
1	*.03	.01½	Champion R.	......	.02½	.....	.....	.....
No	.07½	.05	Chibougamau Pros.	4,000	.06	.06	.05	.05
No	.01½	.01	Clericy	4,000	.01	.01½	.01	.01½
5	3.00	2.05	Coast Copper	225	2.10	2.25	2.05	2.15
1	.02	.01½	Cobalt Contact	9,000	.02	.01½	.01½	.01½
1	*.02	.00¾	Co'. Kirkland	......	.00¾	.....	.....	.....
1	.08	.05	Columario	3,000	.05	.06½	.06	.06
5	.75	.75	Coniagas	......	.75	.....	.....	.....
No	.40	.32	Coniaurum	......	.35	.....	.....	.....
25	72.00	64.00	Cons. Smelters	895	70.50	70.50	68.00	69.00
1	*.40	.15	Cons. Venus	......	.40	.....	.....	.....
1	*.01	.00¾	Corona	......	.00¾	.....	.....	.....
1	.01½	.01½	Crown Reserve	......	.01½	.....	.....	.....
No	.09½	.07	Dom. Explorers	67,300	.08	.09½	.08	.09½
1	*.03	.00½	Dom. Kirkland	......	.00¾	.....	.....	.....
No	10.50	9.25	Dome Mines	1,785	9.95	10.25	9.95	10.25
1	.01	.01	Don Rouyn	......	.01	.....	.....	.....
No	*.33	.30	Don Woolsey	......	.30	.....	.....	.....
1	*.01	.00¾	Dunkin	......	.00¾	.....	.....	.....
1	*.02½	.00¾	Duprat	......	.01½	.....	.....	.....
1	1.49	1.05	Eldorado	71,280	1.23	1.49	1.26	1.48
No	1.05	.80	Falconbridge	2,345	.90	1.00	.85	.90
1	.04	.02	Federal	1,500	.02½	.03	.03	.03
No	.00¾	.00¾	Flintoba	......	.00¾	.....	.....	.....
No	.07	.06	Gem Lake	1,000	.06	.06	.06	.06
No	*.04½	.01½	Gilbec	......	.02	.....	.....	.....
1	.02	.02	Goldale	1,500	.02	.02	.02	.02
10	.11	.10	Goldfield	......	.11	.....	.....	.....
1	.00¾	.00¾	Gold Hill	......	.00¾	.....	.....	.....
1	.04	.03½	Goodfish	5,000	.03½	.03½	.03½	.03½
1	.01	.00¾	Graham	2,000	.01	.00¾	.00¾	.00¾
1	1.25	.90	Granada	6,445	1.06	1.11	1.00	1.04
1	.22	.09	Grozelle	11,720	.13	.11	.09	.09
No	*.30	.29	Halliwell	......	.29	.....	.....	.....
1	.02½	.01½	Harker	32,000	.02	.02½	.01½	.02
1	.01½	.01	Hilltop	11,500	.01½	.01½	.01	.01½
5	5.70	5.00	Hollinger	4,620	5.05	5.10	5.00	5.05
1	.36	.30	Howey Gold	6,700	.30	.33	.30	.32
No	2.78	2.10	Hudson Bay	1,925	2.40	2.60	2.35	2.40
No	.20	.20	Huronian	......	.20	.....	.....	.....
No	11.00	8.50	Int. Nickel	20,519	9.00	9.75	8.75	9.00
1	.01½	.01½	Jackson Manion	2,000	.01½	.01½	.01½	.01½
1	.23	.23	Keeley	1,700	.23	.23	.23	.23
1	.02½	.01	Keora M.	6,500	.01¾	.01¾	.01¾	.01¾
1	.70	.45	Kirk. Hud. Bay	2,200	.45	.45	.45	.45
1	.02½	.00¾	Kirk. Hunton	6,000	.01½	.01½	.00¾	.00¾
1	.55	.43	Kirkland Lake	9,010	.45	.48	.44	.45
1	.03½	.01½	Kirk. Premier	7,000	.01¾	.01¾	.01½	.01½
1	.13	.09	Kirk. Townsite	8,200	.09	.09½	.09	.09
20c	.01½	.00¾	Koot. Florence	2,000	.00¾	.00¾	.00¾	.00¾
1	.01½	.00¾	La Rose	......	.01½	.....	.....	.....
1	.15	.15	Lakeland	100	.....	.15	.15	.15
1	29.10	28.00	Lake Shore	4,537	28.90	29.00	28.00	28.35
1	.00¾	.00¾	Laval	......	.00¾	.....	.....	.....
1	.02½	.01½	Lebel Oro	6,500	.01½	.02½	.02	.02½
No	*.35	.35	Locarno	......	.35	.....	.....	.....
1	.40	.29½	Macassa	17,700	.32	.34½	.31	.33
1	.05	.03	Malartic	8,000	.03½	.03½	.03½	.03½
No	.05	.04½	Mandy	......	.04½	.....	.....	.....
No	.01½	.01	Manitoba Basin	12,500	.01	.01	.01	.01
1	.35	.30	McKinley	100	.30	.30	.30	.30
5	19.50	17.00	McIntyre	790	17.30	17.50	17.00	17.05
No	.09½	.03½	McLeod River	185,700	.08½	.09½	.07½	.07½
1	*.04	.04	McVittie	......	.04	.....	.....	.....
1	*.29	.03	MacMillan	......	.10	.....	.....	.....
No	1.43	.85	Mining Corp.	4,750	1.09	1.12	1.00	1.05
1	.08½	.04	Moffatt Hall	90,700	.04½	.05	.04	.04
1	.02½	.02½	Moneta	6,000	.03	.02½	.02½	.02½
1	*.00¾	.00¾	Mtl. Rouyn	......	.00¾	.....	.....	.....
1	.40	.30	Moss	15,050	.38½	.39½	.38	.39½
1	.02½	.01½	Murphy	5,000	.01½	.01½	.01½	.01½
No	.03	.02½	Newbec	4,500	.02½	.02½	.02½	.02½
1	*.40	.25	Nevada	......	.25	.....	.....	.....
1	*.09	.02	Night Hawk	......	.02	.....	.....	.....
5	1.15	.90	Nipissing	250	.90	.94	.94	.94
No	17.50	15.00	Noranda	14,557	16.20	16.75	16.00	16.35
No	.24	.17	Nor. Canada	1,700	.20	.20	.17	.20
No	.01	.00¾	Old Colony	......	.00¾	.....	.....	.....
1	*.01	.00½	Ophir	......	.00½	.....	.....	.....
1	*.10½	.02	Oriole	......	.02	.....	.....	.....
1	.08	.06	Osisko	1,000	.06	.06	.06	.06
1	.08	.08	Parkhill	......	.08	.....	.....	.....
1	.13½	.11	Patricia Dent	4,000	.13½	.13½	.11½	.11½
1	.02	.01½	Pawnee Kirk	2,200	.02	.01½	.01½	.01½
No	1.15	.85	Pend. Orielle	850	1.00	1.00	.98	1.00
1	.01	.00¾	Pete. Cobalt	2,500	.01	.00¾	.00¾	.00¾
	*.25	.18½	Phoenix Molybd.	......	.25	.....	.....	.....
1	*.01½	.00¾	Picard	......	.00¾	.....	.....	.....
1	3.86	3.10	Pioneer Gold B. C.	5,000	3.50	3.55	3.45	3.45
1	.05	.04	Pioneer	......	.04	.....	.....	.....
1	*.02½	.00¾	Porc. Crown	......	.00¾	.....	.....	.....
1	.01½	.01	Potter Doal	5,000	.01	.01½	.01½	.01½
1	*.45	.30	Powell Rouyn	......	.30	.....	.....	.....
1	.63	.57	Premier Gold	2,100	.60	.60	.57	.60
1	.00¾	.00¾	Preston E. Dome	......	.00¾	.....	.....	.....
No	.15	.15	Prospectors Air's.	......	.15	.....	.....	.....
No	.08	.04	Quemont	......	.05	.....	.....	.....
1	.02½	.01	Ribago	29,000	.01½	.02	.01½	.02
1	*.34	.24	Rich. Rock	......	.33	.....	.....	.....
1	.02½	.01½	Ritchie	5,000	.01½	.01½	.01½	.01½
1	.01½	.00¾	Robb Montbray	2,000	.01½	.01	.00¾	.00¾
1	.36	.25	San Antonio	......	.30	.....	.....	.....
1	.09	.09	Seven Troughs	850	.10	.09	.09	.09
1	.65	.49	Sherritt Gordon	11,795	.52	.52½	.49	.52
1	.62½	.50	Siscoe	74,065	.60	.62	.59	.60
1	.03	.01½	South Keora	3,500	.02½	.02½	.02½	.02½
No	.02½	.01½	Stadacona	12,500	.01½	.01½	.01½	.01½
1	.17	.07½	St. Anthony	1,000	.15	.14	.14	.14
No	.45	.36	Sudbury Basin	1,100	.37	.38	.37	.37
1	.01½	.00¾	Sudbury Contact	......	.01½	.....	.....	.....
1	.00¾	.00¾	Sudbury Mines	51,500	.00¾	.00¾	.00¾	.00¾
No	*.04½	.01	Sudbury Nickel	......	.03½	.....	.....	.....
1	.10	.09	Sullivan	22,300	.09	.10	.09½	.09½
1	.65	.52½	Sylvanite	14,600	.57½	.58	.55	.55½
1	.07	.03	Tashota	23,500	.06	.05	.03	.04
1	5.25	4.20	Teck Hughes	10,790	4.50	4.55	4.33	4.35
1	*.10½	.01	Telluride	......	.01	.....	.....	.....
1	*.01½	.01	Temiskaming	......	.01½	.....	.....	.....
1	.03	.02	Thom. Cadillac	1,000	.02	.03	.03	.03
1	*.02½	.00	Tough Oakes	......	.01	.....	.....	.....
1	.40	.25	Towagmac	800	.30	.25½	.25½	.25½
No	1.30	1.01	Treadwell	......	1.25	.....	.....	.....
No	*2.85	2.40	Tri-Metals	......	2.85	.....	.....	.....
1	.09½	.05	United Kirkland	100	.09	.05	.05	.05
1	.01½	.01	Vacuum Gas	......	.01	.....	.....	.....
No	.53	.43	Ventures	35,525	.46½	.47	.44	.45
1	.17½	.14	Vickers	500	.14	.15	.15	.15
1	.45	.30	Vipond	2,900	.37	.38	.35	.35
No	1.00	.60	Waite Ackerman	1,050	.80	.86	.75	.80
1	*.02½	.01	West Tree	......	.01	.....	.....	.....
1	.04	.03	White Lake	......	.03½	.....	.....	.....
1	*.06	.01½	Wiltsey	......	.01½	.....	.....	.....
No	.01½	.00¾	Windfall R.	......	.01	.....	.....	.....
	*.13	.03½	Wood Kirk	......	.04	.....	.....	.....
No	3.06	2.65	Wright-Hargreaves	7,835	2.78	2.78	2.69	2.69
			WESTERN OIL STOCKS					
1	.19	.14	Acme	20,700	.15½	.15½	.14	.14½
1	1.17	.90	Ajax	9,300	1.03	1.05	1.00	1.03
1	.12	.06	Alta. Pacific	800	.10	.08	.06	.06
1	.03	.02	Askalta	1,300	.01	.03	.02	.03
No	.10	.04½	Associated	......	.07	.....	.....	.....
No	.04	.02	Baltac	......	.02	.....	.....	.....
	.05½	.00¾	Benton	31,200	.04½	.05½	.04½	.05½
1	*.07	.02	Black Diamond	......	.02	.....	.....	.....
1	.06	.04½	Brit. Dominion	......	.04½	.....	.....	.....
No	.38	.30	Calgary & Ed.	400	.31	.32	.30	.30½
1	.09	.05	Calmont	368	.05½	.06	.05	.05
1	.11	.07½	Comm. Pete	215	.08	.11	.10	.11
No	*.29½	.26½	Crudome	......	.28½	.....	.....	.....
No	.20	.15	Dalhousie	545	.18½	.20	.19½	.19½
No	*.08	.01	Devenish	......	.01½	.....	.....	.....
No	.02	.01	Dome Oil	1,000	.01¾	.01¾	.01¾	.01¾
No	.12	.04	East Crest	600	.11	.11	.10	.11
No	.01½	.01½	Fabyan Pete	100	.00¾	.01½	.01½	.01½
No	*.60	.05	Foothills	......	.08	.....	.....	.....
No	.03½	.03	Freehold	600	.03	.03½	.03	.03½
1	.02	.02	Great West	......	.02	.....	.....	.....
No	.05	.04	Hargal	100	.04½	.05	.05	.05
No	*.10	.03	Herron Pete	......	.03½	.....	.....	.....
No	.05	.04	High Sarcee	1,100	.04	.04½	.04	.04½
No	.47	.30	Home	3,570	.34	.39	.30	.30
No	.05	.03	Homestead	......	.03½	.....	.....	.....
1	.48	.24	Homest'd O. & G.	200	.28	.30	.30	.30
1	.01	.00¾	Illinois Alta.	5,300	.00¾	.00¾	.00¾	.00¾
No	*.70	.10½	Lowery	......	.18	.....	.....	.....
1	.02	.01	Madison	4,200	.01½	.01½	.01½	.01½
1	.15	.14	Mayland	100	.15	.15	.15	.15
No	.04	.03½	McD. Segur Ex.	......	.03½	.....	.....	.....
1	.04½	.03½	McD. Segur N.	......	.03½	.....	.....	.....
1	.50	.32	McLeod	......	.32	.....	.....	.....
No	.10½	.08	Mercury	4,110	.09	.10½	.09½	.09½
No	.08	.05	Merland	......	.06	.....	.....	.....
No	.12	.10	Mill City Pete.	325	.11	.11	.11	.11
1	.18	.16½	Model	1,450	.18	.18	.17½	.17½
1	.04	.04	Monalta	......	.04	.....	.....	.....
1	.07	.04½	Moose Mountain	......	.04½	.....	.....	.....
1	.01	.01	New Federal	......	.01	.....	.....	.....
5	.14	.07½	Nordon	6,000	.09	.10	.09	.09½
No	.04½	.03	Oil Selection	4,000	.03½	.03¾	.03½	.03½
No	.05	.04	Okalta	1,000	.04	.04	.04	.04
100	15.00	15.00	Do., Pref.	......	15.00	.....	.....	.....
No	.20	.13	Olga Gas & Oil	500	.13	.13	.13	.13
No	.06½	.02	Penn. Pete	38,000	.04½	.05	.04	.04½
1	.28	.17	Petrol	3,000	.20	.18	.17	.17
No	.14	.09	Ranchmen's	100	.12	.10	.10	.10
1	.01	.01	Regent	200	.01	.01	.01	.01
No	.02½	.01½	Richfield	......	.01½	.....	.....	.....
No	6.65	6.00	Royalite	59	6.50	6.50	6.25	6.50
1	.10	.05	Sarnia Oil	500	.06	.05	.05	.05
1	.03	.01½	Signal Hill	3,395	.02	.02	.01½	.02
No	*.27	.05	South West Pete.	......	.10	.....	.....	.....
1	.20	.17	Spooner	75	.17	.18	.18	.18
No	.11	.06	Sterling Pacific	......	.06	.....	.....	.....
1	.11	.11	Turner Valley	......	.11	.....	.....	.....
No	.08	.07	United	120	.07½	.07½	.07½	.07½
1	.09½	.09	Vulcan	10	.09	.09½	.09½	.09½
No	.02	.00½	Wainwell	......	.00½	.....	.....	.....
1	*.28	.08	Waite Valley	......	.08½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transaction for Week to February 17)					
25c	.00½	.00½	Bayview	......	.00½	.....	.....	.....
20c	.04½	.03½	Beaver Silver	2,500	.03½	.04	.03½	.04
25c	.02½	.02	Bluebird	......	.02	.....	.....	.....
1	.12½	.09	Bridge River Cons.	18,800	.09½	.09½	.09	.09
1	*.80	.40	B. C. Silver	......	.40	.....	.....	.....
25c	*.02	.00½	Cork Province	......	.01	.....	.....	.....
1	.08	.06	Cotton Belt	......	.08	.....	.....	.....
1	*.03	.02	Dalhousie Mines	......	.02½	.....	.....	.....
1	*.04	.02	Dunwell	......	.02	.....	.....	.....
1	*.10	.02	Duthie	......	.02½	.....	.....	.....
1	.45	.45	George Copper	......	.45	.....	.....	.....
50c	.01½	.01½	Geo. Enterprise	......	.01½	.....	.....	.....
1	.04½	.02½	Georgia River	10,000	.02½	.02½	.02½	.02½
1	.24	.21	Golconda	900	.24	.22	.22	.22
50c	.08	.06	Grandview	2,433	.06½	.07	.06	.06
No	*27.50	15.00	Howe Sound	......	21.25	.....	.....	.....
1	.11	.09	Intern. Coal	......	.11	.....	.....	.....
1	*.02	.01	Independence	......	.01½	.....	.....	.....
1	.01	.01	Indian Mines	......	.01	.....	.....	.....
1	.21	.21	Jack Waite	200	.....	.21	.21	.21
25c	.00½	.00½	Kootenay King	500	.....	.00½	.00½	.00½
25c	*.02	.00½	L. & L.	......	.02	.....	.....	.....
1	.19½	.13½	Lorne Gold	68,100	.18	.16½	.14½	.15
1	*.12	.12	Los Ang. Van.	......	.12	.....	.....	.....
10c	.02	.02	Lucky Jim	......	.02	.....	.....	.....
2.50	*.01	.00½	Marmot Gold	......	.01	.....	.....	.....
5c	.10	.08	Metaline Metals	1,000	.08	.10	.10	.10
1	.03	.01½	Morton Woolsey	6,250	.01½	.02	.01½	.01½
50c	.03	.02½	National Silver	39,000	.02½	.02½	.02½	.02½
50c	.08½	.05	Noble Five	20,100	.05½	.06	.05½	.06
50c	.01	.01	Oregon Copper	......	.01	.....	.....	.....
1	3.85	3.30	Pioneer Gold	2,625	3.66	3.60	3.45	3.45
No	.01	.00¾	Premier Border	5,000	.01	.00¾	.00¾	.00¾
50c	.08½	.05½	Porter Idaho	21,900	.06	.06½	.05½	.05½
No	.28	.25	Reeves McDonald	600	.25	.25	.25	.25
1	.27½	.22½	Reno Gold	6,450	.26	.26	.24	.24
1	*.04	.01	Rufus Argenta	......	.01	.....	.....	.....
1	.05	.04	Ruth Hope	500	.04	.04	.04	.04
1	.03½	.02½	Silverado	......	.03½	.....	.....	.....
25c	.02	.01½	Silver Crest	3,000	.01½	.01½	.01½	.01½
50c	.01½	.01½	Snowflake	......	.01½	.....	.....	.....
1	*.45	.25	Sunloch	......	.25	.....	.....	.....
50c	*.02	.01	Topley Rich	......	.02	.....	.....	.....
5	*.20	.05	Toric	......	.05	.....	.....	.....
20c	.02½	.01	Wellington	2,600	.02½	.02	.01	.02
1	*.08	.02	Whitewater	......	.05	.....	.....	.....
No	.00¾	.00¾	Woodbine	10,500	.00¾	.00¾	.00¾	.00¾

*Quotations for 1931.

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$2.50+a	3.62	Model Oils	9c.	....
Dome Mines	$1	9.75	Noranda	50c.	3.05
Granby	50c.	....	Premier	12c.	....
Hollinger	65c.+5	13.86	Pioneer, B.C.	12c.	3.48
Howe Sound	$2	....	Siscoe	4c.	....
Lake Shore	$2+50c.	8.82	Sylvanite	4c.	....
McIntyre	$1	5.86	Teck Hughes	60c.+5	14.94
McLeod Oils	5c.	....	Wright-Har.	10+2½c.	4.64

a. Stock bonus 1 share for each 20 shares held.

Established 1880
J. P. LANGLEY & CO.
C. P. ROBERTS, C.A.
Chartered Accountants
G. S. HOLMESTED
Trustee in Bankruptcy Proceedings
Offices: McKinnon Bldg., Toronto

CLARKSON, GORDON, DILWORTH, GUILFOYLE & NASH
CLARKSON, McDONALD, CURRIE & COMPANY
TORONTO OTTAWA WINDSOR
MONTREAL and QUEBEC
Chartered Accountants
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Canadian Mining News

BARRY-HOLLINGER REPORTS PROFIT FOR FIRST TIME

Recovery, Tonnage and Grade of Ore Best in History

CAPITAL REDUCED

Development Centres on Search For Ore at Depth-sinking Continued

At the special and annual meeting of Barry-Hollinger Gold Mines, held in Toronto, February 19, the annual report for the year ended December 31, was presented showing the greatest progress in the company's history. For the first time since operations started, in 1925, an operating profit was left after all expenditures and development costs were met.

The year was one of record for the company which has been struggling to meet expenses since operations started. The value of the bullion recovered, recovery per ton, the tonnage treated, as well as the ore reserves, all established a new record, and for the first time the company is in a liquid position, with current assets totalling $21,883 and current liabilities of $10,999.

The premium on gold production amounting to nearly $10,000 enabled an operating profit of $5,081 to be shown as against a deficit of $10,459 the previous year. A write-off for depreciation of $5,081 left $566,581 to be carried to the balance sheet as a development deficit, the same as was shown in the previous year.

The following is a statement of income and disbursements:

Income and Expenditure Account

	1931 $	1930 $
Bullion produced ..	224,457	225,790
Non-oper. income:		
Premium on gold .	9,879	....
Camp operations ..	2,583	....
Rents	854	810
	237,773	226,600
Less oper. exp.:		
Crosscut & drifting	26,856	25,775
Hoisting	11,270	16,175
Raising	3,488	8,798
Sinking	16,220	11,996
Stat. cutting	6,704	898
Stoping	63,108	63,970
Mine operating ...	....	1,883
Superintendence ..	6,000	5,700
Tailing disposal ...	2,613	2,425
Mill supervision ..	2,850	2,851
Marketing bullion .	1,426	541
Maintenance	14,947	12,065
Sanitation	192	62
Stable oper.	673	769
Surface improv. ..	14,125	9,704
Heating	5,148	4,774
Taxes	242	250
Eng. & assays	3,456	5,073
Workmans comp. ..	4,473	3,220
Head office	4,174	9,880
General exp.	1,078	1,908
Insurance	2,751	2,752
Int. & exchange ...	155	225
Mine office exp. ..	3,661	3,876
Tel. & teleg.	139	107
Travelling exp. ...	185	92
Camp operations .	....	3,152
Operating earnings ..	5,081	*10,459
Depreciation	5,081	....
Previous deficit	566,581	556,122
Deficit to bal. sheet..	566,581	566,581

*Deficit.

The mine has now produced over $1,000,000 in gold bullion. In 1931 tailings losses were reduced to 38 cents per ton from 67 cents per ton shown in 1930, giving an average recovery in 1931 of 94.9 per cent. The following is a tabulation of production since commencement of operations:

Summary of Production

Year	Tons Milled	Recov. per ton	Value of Bullion
1925	8,136	7.00	$ 56,977
1926	13,680	6.30	86,263
1927	25,714	6.83	175,692
1928	23,060	4.85	111,767
1929	22,343	6.79	151,612
1930	31,725	6.87	218,025
1931	31,958	7.02	224,457
	156,616	6.55	1,024,793

During 1931 the main three-compartment winze from the 1,000-ft. level was deepened from the 1,625-ft. to the 1,875-ft. horizon. A two-compartment vertical winze was also sunk from the 1,875-ft. to the 2,000-ft. horizon where an ore shoot is being opened up. Development activities are concentrated on levels from the 1,500-ft. horizon down.

The future development programme includes an exploratory crosscut now being driven south on the 1,875-ft. level to cut the eighth and ninth vein systems. It is expected that the No. 8 vein will be encountered about March 1. Later in the year the main winze is to be deepened to the 2,125-ft. level and a crosscut driven to intersect the No. 7 vein. When the ore is reached a raise will be put through in ore to the 2,000-ft. level.

J. Houston, mine superintendent, reported broken ore reserves of 5,000 tons, to which can be added unbroken ore of approximately 12,000 tons. This estimate is made of ore above the 1,875-ft. level only. No raises have been put through the ore from the 2,000-ft. level to the 1,875-ft. level. However, from the results of development on the 2,000-ft level it can reasonably be assumed that a large additional tonnage for the mill can be secured from the section between the 2,000- and 1,875-ft. levels. Recent work in other parts of the mine can be expected to add ore to the above figures, he stated.

Capital Reduced

At the meeting approval was given to secure supplementary letters patent and change the name of the company to the Barry-Hollinger Mines Ltd., at the same time reducing the capitalization from $5,000,000 to $3,000,000 in $1 par value shares. The present shareholders are to receive one new share for each two shares held.

It was explained that the reduced capital structure was more in line with the magnitude of the company's operations and that it would provide for an additional 700,000 shares for further financing. It is not the intention, shareholders were told, to issue this stock immediately, but ultimately to deepen the main shaft below the 1,000-ft. level.

The old board of directors was re-elected for the ensuing year, with Dr. E. H. Greene as president.

Okalta Oils to Redeem Its Preferred Shares

Okalta Oil proposes to use its liquid assets to redeem its preferred stock, according to the annual report just issued.

The company's capitalization consists of $450,000 in $100 par value preferred shares and 1,800,000 shares of no par value, 132,625 of the latter being held by trustee for the benefit of the company.

The balance sheet shows current assets totalling $32,653 including $15,617 in cash, $9,111 in accounts receivable and $7,924 in unused casing. Current liabilities total $1,342.

W. Hargreaves Plans To Re-treat Tailings

At the meeting of shareholders of Wright Hargreaves Mines, held in Buffalo, February 23, it was announced that plans were being considered by Wright Hargreaves and Lake Shore Mines jointly for the formation of a new company to re-treat the tailings from the milling operations of the two companies, now deposited principally in Kirkland Lake.

January operations, shareholders were told, were the best in the company's history, and the percentage recovery was slightly improved.

The officers and directors were re-elected for the ensuing year without change, with Oliver Cabana Jr. as president.

CONIAURUM MINES EXTENDS OPTIONS TREASURY STOCK

Shareholders Told Future of Property Tied Up Developments

At a special meeting of shareholders of Coniaurum Mines, controlled by Ventures Ltd., held in Toronto, February 22, shareholders were told that the officials of the company had reached an agreement with the opposing directors regarding the outstanding share options.

The option to Ventures Ltd. on the remaining 440,000 shares of treasury stock at 40 cents per share was extended to Dec. 1, 1932. The option on 200,000 shares at 40 cents each to T. H. Rae has been extended to Dec. 1, 1932. In addition there are options on 40,000 shares at 40 cents each to Coniaurum employees, to June 19, 1933. All the remaining options, some exercisable up to July 4, 1932, have been cancelled.

Future Development Uncertain

As a result of success met with in lateral development, deep development work could be deferred until the geology of the property had been more thoroughly proved," stated J. Gordon Hardy, consulting engineer of the company, "the future of Coniaurum is tied up with results laterally or at depth and which we do not know at present," said Mr. Hardy. "If the ore goes deep, additional funds — possibly $1,000,000—will have to be raised. If it carries laterally we will probably be able to see the property through to the dividend stage with the present outstanding capital," he concluded.

The meeting was of routine nature, the present board of directors being elected for the ensuing year, as follows:

Thayer Lindsley, president; Col. A. L. Bishop, vice-president; H. Whittingham, secretary-treasurer; J. Gordon Hardy, consulting engineer; T. H. Rea, Maj.-Gen. D. M. Hogarth, Alex. Longwell.

YUKON CON. GOLD YEAR PROFITABLE UNDER INJUNCTION

Gold Production $771,765 With Five Dredges Working

A preliminary report by the Yukon Consolidated Gold Corp. indicates that 1931 was the best year the company has had recently with a revenue of $771,765. Expenditures amounted to $593.892 leaving cash on hand of $139,532.

In January, 1931, G. T. Clarkson of Toronto, was appointed by the Dominion Government to investigate the affairs of the company, at the request of a group of English shareholders. It was claimed that the company was over-capitalized and that a general state of mismanagement existed. Mr. Clarkson's report of his investigation is expected shortly, but until received a complete accounting and report by the company cannot be made.

The injunction order calling for the investigation, grew out of expenditures which, in the opinion of the officers of the company, were ill advised. Large amounts, it is alleged, were expended by A. N. C. Treadgold, then manager of the company, on electric shovels and cableway as well as a ditch supplying water to the power plant. These investments were not suitable for mining operations under the Klondike conditions, the officers of the company maintained.

The company was incorporated in 1923 with an authorized capitalization of $6,000,000 in $1 par value shares of which $500,000 is in 8 per cent preferred shares and $5,500,000 in common shares. Upon incorporation it acquired the controlling interest in Burrell & Baird, Ltd., The New Northwest Corp., and subsequently seven other companies owning or operating about 85 per cent of the Klondike alluvial gold fields in Alaska. The company has been the principal producer in the area and had five dredges operating in 1931, the most active year in the company's history.

The report states that for the season of 1932 the greater proportion of the supplies has been purchased and paid for and that it will not require advances from the bank since it has no outstanding liabilities to the public and expects to operate its full equipment of five dredges for the coming operating season.

METAL PRICES

New York—February 23—
Copper: Electrolytic spot, 6¼c. lb.
London—February 23—
(Long Ton)—
Copper: Electrolytic spot, £41; future, £42.
Standard spot, £13 17s 6d; future, £16 5s.
Tin: Spot, £139 10s; future, £141 17s 6d.
Lead: Spot, £14 15s; future, £14 5s.
Zinc: Spot, £13 15s; future, £14.
Siler: 19 15-16d. per ounce.

NORTHWESTERN QUEBEC SHOWS GREAT PROMISE

Area 150 Miles Long Scene of Intense Gold Prospecting

MUCH ACTIVITY

Leading Mining Companies Have Undertaken Extensive Development Work

From Our Own Correspondent

AMOS.—Northwestern Quebec is now in the limelight of the mining world. Ever since March, 1931, prospectors, mining men and mining corporations have steadily invaded the area. Prospecting covers an area which is over 150 miles long. It extends from the Ontario boundary to the Township of Foch in the east. Altogether 1,680,000 acres of mining claims have been staked. Cadillac, Dubuisson, Senneville, Bourlamaque, Pascalis and Louvicourt townships are receiving the greater part of the attention. About 1,500 men are wintering in these townships.

The O'Brien in Cadillac Township is presently erecting a mill of 150 tons capacity. Machinery is being taken to the mine and it is to be in operation early in spring.

Pandora Gold is now cutting a station at the 125-ft. level. Its programme for the coming season is to sink the shaft to the 500-ft. level and crosscut 2,000 ft.

Cartier-Malartic Drilling

East of the O'Brien, and adjoining it, Canadian Gold Operators, jointly interested with Ventures are drilling the Cartier-Malartic property. Early in December a drill was on its property. In January, they had another one. The intention is to erect a mining plant within the 30 days and plans have gone forward for a development programme. Results of diamond drilling have been very satisfactory. This company now controls the Ranger-Cadillac which will eventually undergo a campaign of diamond drilling.

A striking event recently took place when the Siscoe Gold Mines paid its initial dividend. It is the first instance of a straight gold mining concern paying a dividend in the province of Quebec. Noranda has paid several dividends, but this is essentially a copper producer.

Treadwell Sinking

In Louvicourt Township, Treadwell Yukon has sunk that three-compartment shaft down to 230-ft. level and is now crosscutting on the 200-ft. level to intersect its vein system. An aggressive diamond drill campaign has been going on since last fall.

Noranda has used one drill since the first of the year in Pascalis and Senneville Townships to ascertain the surface indications at depth, in order to decide upon further mining developments.

Beaufor has carried on a diamond drill campaign on the Mathews vein and has recently commenced drilling on an extensive shearing south of it. Surface indications on the shearing are very promising. Numerous areas have been acquired by prospectors along the granodiorite greenstone contact which appears to have possibilities.

Two Drills on Dome

The Dome has acquired the Beverley Jowsey claims in Louvicourt Township, surface indications being excellent. One diamond drill has been operating for several weeks and a second drill is now on its way to the property. Excellent results have attended the work done.

The Hollinger and various other interests have acquired properties adjoining the Dome property.

At the LeRoy property a shaft has reached a depth of 125 ft. from which level a crosscut was extended to intersect the veins. The vein intersection compared favorably with surface indications which were very favorable.

Several other discoveries have been made in the vicinity of the LeRoy property.

Trend in East

In Tavernier Township, about 20 miles east, diamond drilling has been conducted on the old Peacock property and it is understood that results have been favorable.

This drilling, 20 miles removed from the Pascalis area, indicates the possibility of the area intervening and is expected to receive considerable attention during the coming season.

Consolidated Tin Asks Shareholders for Funds

Shareholders of The Consolidated Tin Corp. are in receipt of official notice they are about to lose their property if further funds are not subscribed to pay off the company's liabilities.

The company has about $20,000 owing and is offering shareholders exclusively the right to subscribe to 1,000,000 shares at three cents per share, on the basis of one new share for each three shares held.

The company owns a group of claims at Bernic Lake, Manitoba, about 97 miles northeast of Winnipeg, where the principal mineralization is tin, tantalite, columbite, lithia, beryl and feldspar. A camp and mining plant, as well as a small test plant is on the property.

The company, formerly known as the Jack Nutt Mines, has a capitalization of 5,000,000 shares of no par value, and is headed by Dr. J. K. Lankford, as president. Ralph H. Webb, mayor of Winnipeg, is a director.

New Maps Issued On Manitoba Area

The Geological Survey, Department of Mines, Ottawa, has issued two geological maps, (No. 274A and 275A) each on a scale of one mile to the inch, of an area extending eastward from the western extremity of Lac du Bonnet, Manitoba, to and beyond the Manitoba-Ontario boundary. The maps will be followed by the publication of a memoir describing the geology and mineral deposits of southeastern Manitoba. Copies of the maps may be had by application to the Director, Geological Survey, Department of Mines, Ottawa.

WESTERN CANADA'S GOLD PRODUCTION RECORDS ADVANCE

B.C. Output is Down Due to Copper Curtailment

FUTURE BRIGHT

Many New Mills Promise Greater Production For 1932

According to preliminary estimates of gold production for 1931, the Yukon Territory and the gold-producing provinces of Western Canada accounted for some 291,000 oz. or nearly 11 per cent of the total production of the country. Manitoba's output advanced sharply from 23,189 oz. in 1930 to 100,510 oz. in 1931. The output from British Columbia decreased from 164,331 oz. to 153,934 oz. and that of the Yukon was slightly in excess of the previous year.

The increased output from Manitoba is largely accounted for by the continuous operation throughout the year of the Hudson Bay Mining and Smelting Company's smelter at Flin Flon, according to A. H. A. Robinson, of the Dominion Department of Mines, Ottawa. The smelter treats the copper-zinc-gold-silver ores from the company's Flin Flon ore body and from the Sherritt-Gordon Company's mine at Sherridon. The Central Manitoba mine, operating a straight gold property in the southeastern portion of the province, produced gold to the value of $30,000 to $40,000 monthly during the year. The Gem Lake mine, in the same section, contributed a few thousand dollars to the output. A 50-ton mill is now in the course of construction at this property and will replace a small pilot mill which was not equipped to recover that part of the gold contained in the sulphides. At the San Antonio property, near Central Manitoba, a cyanide mill having an initial daily capacity of 150 tons, is expected to be in operation in March of this year.

Decline Due to Copper

The decline in British Columbia's output is attributable to curtailment of production from copper mines, from which normally, about 19 per cent of the gold output is obtained, to a smaller output from the Premier mine, long the chief gold producer, and to the closing down in 1930 of the Nickel Plate mine. These decreases, however, were partly compensated by largely increased production from the Pioneer, the Reno and the Union mines and by a larger output of placer gold.

The Union property in the Grand Forks district, was once a silver mine, but recent developments have changed it into a gold mine of considerable promise. The Reno mine, on Sheep Creek, in the Nelson district, is a small property but is giving a good account of itself. The Pioneer is also an old mine which has been rejuvenated and which gives promise of maintaining an important production for many years. A new mill with a daily capacity of 300 tons is being erected to replace the 100-ton mill now on the property, and a shaft is being sunk to a depth of 3,000 ft. The vein has been proved for a length of 1,860 ft. on the eighth level, with an average width of 3½ ft. and averaging $20 to the ton. Dividends at the rate of 12 cents per share per annum are being paid.

Estimated Gold, $30,000,000

In a recent paper on "Lode Gold Mining in British Columbia," J. D. Galloway, the provincial mineralogist, estimated the reasonably indicated gold reserves in the known mines of the province, and in possible extension of known ore bodies to be $30,000,000. This is exclusive of placers and is regarded as large a reserve as the province has had at any one time in its history; yet, since 1893 lode gold to the value of $140,868,011 has been produced. Presently-indicated reserves taken in conjunction with the probabilities and possibilities of semi-developed mines, prospects and unprospected areas indicate a bright outlook for gold mining in the province.

In the Yukon the placers in the immediate vicinity of Livingstone were being prospected vigorously during the summer of 1931. This area had been practically abandoned for a number of years. Considerable activity was also in evidence in the vicinity of Carmacks where a lode gold discovery was made during the summer of 1930. The scene of the discovery was later visited by a number of geologists but no reliable information is available as to the nature or extent of the discovery.

PETROL OIL & GAS REPORTS PROFITS TOTALLING $11,650

Developments Centre on Six Nations Indian Reserve Leases

The annual report of Petrol Oil & Gas for the year ended Nov. 30, 1931, showed a profit of $11,650 as compared with $1,686 in 1930.

Current sales in the last fiscal year amounted to 152,509,000 cu. ft., as compared with 80,555,000 cu. ft. in the previous year. Gross income totalled $47,258, while the current assets of the company totalled $17,903, with current liabilities of $1,378.

Since 1928 the company has held an exclusive lease on the Six Nations Indian Reserve, near Brantford, Ont., part of which has been leased to the Ajax Oil & Gas Co., on a royalty basis. At the present time 59 wells have been drilled, 41 of which are producers connected to the pipe line and two ready for connection. In addition, the company has two producing oil and gas wells in the Dover field in Kent county, southwestern Ontario. The company was a former dividend payer, but dividends have been suspended since 1927 owing to its development programme in the Six Nations Reserve.

The balance sheet shows authorized capitalization as $2,000,000 in $1 par value shares of which $1,100,000 are issued.

Electrification Plan By English Interests Aids Copper Industry

To Build Electric Generating Plant Near Coal Field

COPPER REFINERY

Rhodesian Copper to be Refined at Site of Cheap Power in Wales

Copper production in the British Empire will receive a great impetus if plans now being considered in England are brought to fruition. The plan is broad in its scope and provides for the development of cheap electric power as a fundamental aid to British industries. The proposal is to establish huge electric plants in the vicinity of Swansea, Wales, utilizing the coal in the area as a source of power.

By placing the huge steam turbo-generating plant near the coalfields it is hoped to bring operating costs to a minimum and provide an outlet for greater quantities of coal, thereby aiding the long-suffering coal industry in Great Britain. Where the copper industry hopes to profit by the plan is in the distribution of the electrical energy which will entail the construction of a network of transmission lines over extensive areas.

Associated with this new era of electrification it is proposed to erect an electrolytic copper refinery near Swansea, treating the blister copper from the mines of Northern Rhodesia. The vast potentialities of the Rhodesian field have already been demonstrated in the few months operations of the Roan Antelope plant where very low costs have been demonstrated.

Preliminary production costs by this company indicate that electrolytic copper can be delivered in New York at an operating cost not exceeding five cents a pound. Part of this is made possible by the adverse exchange rate prevailing in Northern Rhodesia, which is off the gold standard. At present the blister copper produced at the property is exported to refineries in New Jersey. Other large producers in Rhodesia are nearing the production stage and when the plans now being formulated are completed, England will be one of the great refining centres able to serve the European market.

U. S. Tariff Sought

A world authority on copper recently visiting Toronto expressed the view that the copper industry throughout the world was in such a state of chaos that it had yet to undergo many major readjustments before an improvement in the general situation could be looked for. In the United States certain groups of the copper producers are seeking a tariff against imported copper. If this takes place it is regarded as certain to invite retaliatory measures by European countries that will practically bar American copper from the European market. It will also mean the upsetting of the copper cartel now in force, whereby the world producers have pledged themselves to restrict individual output to 26½ per cent of the estimated normal capacity.

At the present time Great Britain extends a 10 per cent preference to Empire copper. This preference as at present aranged extends from March 1 to Nov. 15; 1932, so that its effects as far as the Canadian production is concerned has not yet been demonstrated. In this connection it is interesting to know that J. Y. Murdoch, K.C., president of Noranda Mines, one of Canada's large low cost copper producers, has just left for England, ostensibly to confer with the big copper marketers there. There is a very close working alliance between Noranda and the Amalgamated Metal Corp. of Great Britain, one of the strongest marketing organizations in the world. The British Metals Corp. through its Canadian subsidiary, is heavily interested in the Canadian copper refinery controlled by Noranda Mines. British Metals Corp., in turn, is owned by the Amalgamated Metal Corp., and through this tie-up it is expected that a greater market will be found for Noranda copper when a new Empire preferential is in force.

If United States puts a tariff on imported copper it is regarded as almost certain to isolate itself from foreign markets. It is regarded as improbable that Germany and France will continue to be buyers and while it will have eliminated South American copper and Canadian copper from its market, it will in some measure foster United States production at the expense of the loss of foreign trade.

Low Cost Myth

The great copper producer in Belgium Congo, the Union Miniere du Haut Katanga, ceases to be the great threatening factor in the copper cartel that it was supposed to be, according to an eminent engineer. At the time the world copper producers met in New York last October, representatives of Katanga refused to be a party to the deal under the proration measure proposed. It now develops, according to this world copper authority, that Katanga as a low-cost copper producer is a myth and it did just as expected, reconsidered the cartel proposal and joined it last December. It is, therefore, evident that while it is one of the world's largest producers, its production costs prevent it from dominating the copper situation.

As far as Canada's copper production is concerned, it enjoys a happy situation, if such a term could be applied to the chaotic state of the copper industry at present. If the United States put the tariff on copper, thereby barring Canadian production, it still has an outlet for its surplus production through the British preferential market. If the United States tariff does not materialize, a market is afforded in that country for its surplus production.

In any event, if the plans now being formulated in Great Britain for a great electrification programme materialize, a brighter outlook is promised for copper.

Roan Antelope Costs Are Low Report Shows

A progress report by the Roan Antelope Copper Mines for the three months ended December 31 gives some idea of what costs can be expected from this premier Northern Rhodesia property once it strikes its production stride.

The first unit of the new plant started operations on June 1, 1931, and during the last quarter of the year 424,300 tons of ore, a daily average of 4,600 tons assaying 3.77 per cent copper, was treated. In the same period 8,453 tons of copper concentrates, averaging 56.06 per cent copper were shipped to Chrome, N.J., for smelting and refining. The blister copper production from this concentrate amounted to 15,694,347 pounds of blister copper assaying 99.68 per cent copper.

Assuming that the blister copper for the period was all electrically refined and that electric copper was produced from the concentrates shipped, the operating cost of the finished product, electrolytic copper delivered in New York after allowance for losses in transit, for smelting, refining, selling and royalties, but before interest and depreciation, was £31.98 per long ton. This is equivalent to 5 cents per pound of copper in terms of U. S. funds, based on average exchange rate.

NEW LEGISLATION IS BEING SOUGHT BY ONT. ENGINEERS

Professional Engineers Seek to Control Actions of Members

During the present session of the Ontario Legislature, amendments will be introduced to the Professional Engineering Act passed in 1922, that will place Ontario on a par with the other provinces of the Dominion in respect to the Engineering Profession. In so far as mining engineers are concerned, there has been but little opposition to the new bill as the professional element in mining appreciates the protection the Act plans to afford.

At the present time in mining, as in the other engineering professions, with the exception of surveying, anyone so desiring can write a report on the mining properties, and sign himself a mining engineer. In the past, a great many inadequate reports have been made and it is in the interests of protecting the public from just such action that the new bill has been introduced.

The new legislation does not seek for any special rights, but rather places the engineers of Ontario on an equal basis, and permits of reciprocal courtesies with professional engineers in other provinces. With the passing of the new Legislation, engineers will enjoy the same rights professionally as doctors, lawyers and land surveyors, and will be in a position to control the actions and bar from the association any member whose ability or professional ethics is questioned.

Under the new regulation, all practising engineers must be members of the Association if residents of Ontario.

ELDORADO REPORT TO BE ISSUED SOON

Details of Developments Given and Some Surprises Expected

Shares of Eldorado Gold Mines touched a new high point in the Standard Exchange on February 23, following the announcement that the company's annual report could be expected the latter end of the week.

The annual meeting is called for March 7, that arrangements may be made for the season's operations as soon as possible. The report is expected to give a great deal of information regarding the development work conducted last summer including a surprise by reference to the gold assays. Full details of widths, lengths and assays will be shown as well as a plan of trenching done.

Plans are now being laid for the initial unit of the plant to treat the company's radium ore and M. Pochon, an authority on the subject of treatment of radium ore, has been employed on a favorable basis to take charge of the extraction plant.

Gilbert LaBine, managing director of the company, told The Financial Post that altogether over 100 claims comprising about 5,000 acres had been staked in the vicinity of Echo Bay for Eldorado Gold Mines. Some of these claims have not yet been transferred to the company, but all claims are ultimately to be turned in and form Eldorado's holdings. As is common with deals made with prospectors, Gilbert LaBine will receive a share interest in his stakings by an issue of Eldorado stock.

The report of the company is expected to show a good financial position with liquid assets of over $300,000 and to give detailed information, presented in such a manner that shareholders can appreciate the amount of work that has taken place and the possibilities in store.

At a special meeting of shareholders of Arno Mines held in Ottawa on February approval was given to increase the authorized capitalization of the company from 5,000,000 to 6,000,000 shares of no par value. A new board of directors was elected, but being a special meeting no annual report or financial statement was presented.

PIONEER GOLD

WE have just issued a review of Pioneer Gold Mines of B. C., Ltd. This analysis is compiled from official statements and from reports of reputable mining engineers.

Pioneer Gold Mines is a well-managed, dividend-paying gold property which has developed important, high-grade gold reserves. Its mill capacity is now being trebled, all out of earnings. Increased earnings should become effective by Oct., 1932.

Analysis on Request

A. D. WATTS & CO.
Members:
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Trail Smelter Receipts

The following is a statement of the ore received at the Trail smelter of the Consolidated Mining & Smelting Co., for the period February 8 to February 14, 1932, and the total shipments to date:

Mine and locality	Feb. 8 to 14	1932 to date
Bell, Beaverdell	4	200
Clubine, Boulder Spar..	..	24
Highland Lass, Beaverdell	52	104
Knob Hill Republic.....	28	71
Nevada, Nelson	6	8
Obrien, Cobalt, Ont.	43	85
Perrier, Nelson	199	662
Republic, Republic	46	46
Union, Lynch Creek	40	137
Yankee Girl, Ymir	..	55
Wellington, Beaverdell .	52	52
Total	227	1,545
Smelters ore	7,400	46,817
Grand total	7,627	48,362

The Gold Drop and North Bar claims near Greenwood, B.C., are developing in a satisfactory manner with encouraging showings of gold, according to a Greenwood report.

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